

DRAFT ANNUAL REPORT : 2018 / 2019 FINANCIAL YEAR

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CHAPTER 1

FOREWORD BY THE EXECUTIVE MAYOR

Presented here in this document is the annual report for the financial year 2018/2019 of the Thabo Mofutsanyana District Municipality, which gives an account of our actions of service delivery and our spending of public funds for the year of reporting. It is of utmost important for us the municipality to report on the progress made in the achievement of our priorities as set out the beginning of the financial year.

At the beginning of the financial year 2018/2019 we set priorities for the municipality and these were outlined in the Integrated Development Plan (IDP), as thus we are required to report at the end of the same financial year. The report presented here a collaborative effort by our Councillors, Management, Staff, the six local municipalities in our district, sector departments, communities, traditional leaders, faith-based organisations and community-based organisations.

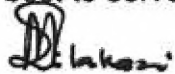
It has been our resolve as a collective of councillors and staff, we will work together with a common vision of seeing this municipality attain a financial muscle that will ensure that we touch each and every corner of our district in changing the lives of our people for the better.

Most importantly for us in this financial year is the formation of strategic partnership with Santam, which committed R2 million annually to assist with our fire fighting efforts. We have thus far received firefighting apparatus from Santam.

Infrastructure projects we undertook include the implementation of energy saving project by retrofitting lights through the Municipal Energy Efficiency Demand Side Management Grant, the management of rural roads through the development of Rural Road Assets Management System and Expanded Public Works Programme, which is aimed at providing work opportunities and income support to poor and unemployed people through labour intensive delivery of public and community assets and services.

Other programmes, among others, that we undertook include assisting emerging farmers with farming equipment and training on various farming skills, supporting of SMMEs, promotion of our district at Africa Travel Indaba in Durban and financial support to the needy students. We have also made an undertaking to promote sports, arts and culture and also a healthy environment, hence our environmental health practitioners are always on the ground in every municipality.

We will always remain determined to do our best for our communities. All of us as the public representatives of Thabo Mofutsanyana District Municipality have a will and commitment to do our utmost best to serve our people.



Cllr M.J. Vilakazi

Executive Mayor

OVERVIEW OF THE MUNICIPALITY

OVERVIEW OF THE MUNICIPALITY

Thabo Mofutsanyana District Municipality (DC19) was established in terms of the Municipal Structures Act (Act 117 of 1998) and proclaimed in the Provincial Gazette, Notice No 184, on 28 September 2000. During the May, 2011 local government municipality boundaries were altered.

By provincial gazette of May 2011, the District together with Motheo District were de-established. Parts of Motheo now form part of the Mangaung Metro. Thabo-Mofutsanyana District Municipality was by the same notice re-established, to now it includes Mantsopa, which was part of Motheo as one of its local municipalities.

Location



Thabo Mofutsanyana District forms the north eastern part of the Free State Province and is one of four district municipalities in the Free State.

It is bordered by all of the other district municipalities of the province namely, Lejweleputswa District in the west, Fezile Dabi District in the north and Xhariep District in the south, as well as the Mangaung

Metro in the southwest. Other borders are with the Kingdom of Lesotho in the south east, Kwa-Zulu Natal Province in the east and Mpumalanga Province in the north east.

Topographically the district is bordered for most of its eastern border by the Maluti and Drakensberg mountains. Hydrologically the district is located between the Vaal River to the north, and Orange river to the south, with rivers within the district draining towards these rivers.

Thabo Mofutsanyana consists of six local municipal areas, with Setsoto and Mantsopa

forming the south western section, Dihlabeng the south middle section, Nketoana the north middle section, Maluti a Phofung the south eastern section and Phumelela the north eastern section of the district. The district includes the former homelands of QwaQwa.

The table below identifies twenty six urban centres for the Thabo Mofutsanyana District, grouped per its respective local municipality:

Urban centers located within Thabo Mofutsanyana District Municipality

Mantsopa	Setsoto	Dihlabeng	Nketoana	Maluti A Phofung	Phumelela
Hobhouse	Clocolan	Rosendal	Lindley	Kestel	Vrede
Ladybrand	Ficksburg	Paul Roux	Arlington	Harrismith	Warden
Excelsior	Marquard	Fouriesburg	Petrus steyn	Qwa-Qwa	Memel
Thaba Patchoa	Senekal	Clarens	Reitz	Tshiame	
Tweespruit		Bethlehem			

Bethlehem, Ficksburg, Harrismith, Vrede, Memel, Phuthaditjhaba, Senekal, Reitz and Ladybrand constitute the main economic centres within the district. The above identified urban centres also serve the surrounding rural areas.

Thabo-Mofutsanyana district municipality enjoys high levels of connectivity to other districts, provinces within South Africa, as well as to airports and harbours.

The N3 that links the Gauteng Province with the Kwazulu Natal Province, passes Warden and Harrismith in the north eastern part of the district.

Thabo Mofutsanyana Local Municipality Boundaries



THE SOUTH AFRICA I KNOW
THE HOME I UNDERSTAND



Space-Time Research							
Household Services – Census 1996-2011							
Table 1							
Summation Options (Calculations), Census Year and Type of main dwelling (grouped) by South Africa by 2011 Municipal Boundaries							
	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dihlabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsope
Household weighted							
1996							
Formal dwelling	93075	12585	16285	7270	45014	5017	6904
Traditional dwelling	42519	4966	4023	2871	25468	3130	2061
Informal dwelling	31040	8310	4965	4447	9601	1552	2167
Other	764	166	50	14	228	19	287
2001							
Formal dwelling	120085	15321	20955	8586	58928	6875	9420
Traditional dwelling	34186	4023	4007	2400	19301	2788	1667
Informal dwelling	42353	13357	8095	3894	11917	2443	2648
Other	395	45	59	25	203	26	37
2011							
Formal dwelling	168378	23646	29599	12735	80585	9407	12406
Traditional dwelling	14858	911	1897	655	9676	1269	450
Informal dwelling	33258	8954	6904	3879	9159	2136	2226
Other	1390	176	192	50	808	77	87
Total							
Formal dwelling	381538	51552	66839	28590	184526	21299	28731
Traditional dwelling	91564	9900	9927	5926	54445	7186	4179

Informal dwelling	106651	30621	19964	12219	30677	6130	7040
Other	2548	387	301	89	1240	121	411
% of Household weighted							
1996							
Formal dwelling	24.4	24.4	24.4	25.4	24.4	23.6	24.0
Traditional dwelling	46.4	50.2	40.5	48.5	46.8	43.6	49.3
Informal dwelling	29.1	27.1	24.9	36.4	31.3	25.3	30.8
Other	30.0	42.9	16.5	15.9	18.4	15.3	69.8
2001							
Formal dwelling	31.5	29.7	31.4	30.0	31.9	32.3	32.8
Traditional dwelling	37.3	40.6	40.4	40.5	35.5	38.8	39.9
Informal dwelling	39.7	43.6	40.5	31.9	38.8	39.8	37.6
Other	15.5	11.6	19.6	27.9	16.4	21.2	9.0
2011							
Formal dwelling	44.1	45.9	44.3	44.5	43.7	44.2	43.2
Traditional dwelling	16.2	9.2	19.1	11.1	17.8	17.7	10.8
Informal dwelling	31.2	29.2	34.6	31.7	29.9	34.8	31.6
Other	54.6	45.5	63.9	56.2	65.2	63.4	21.2
Total							
Formal dwelling	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Traditional dwelling	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Informal dwelling	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Other	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Descriptive - Census 1996-2011

Table 1

Summation Options (Calculations), Census Year and Education level (grouped) by South Africa by 2011 Municipal Boundaries for 5 + years

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dihlabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Person weighted							
1996							
No schooling	142234	20362	18609	14627	69873	10980	7783
Some primary	198903	33662	28065	19822	87009	15408	14937
Complete primary	53812	9525	7576	4537	24468	3179	4527
Some secondary	170780	24082	25578	11475	90203	8063	11380
Grade 12/Std 10	46548	5634	8673	3117	24284	2034	2806
Higher	18687	2846	3968	1470	8364	790	1249
Total	630964	96112	92469	55047	304200	40454	42682
2001							
No schooling	121286	18294	18461	12573	55879	9032	7046
Some primary	245632	39956	39132	20174	109520	18126	18723
Complete primary	53376	10561	9327	4087	21324	3387	4690
Some secondary	188529	29140	31030	13069	91675	10515	13100
Grade 12/Std 10	73036	10140	14242	4447	35704	3858	4645
Higher	23368	3158	4521	1493	11219	1337	1640
Total	705226	111250	116713	55842	325322	46255	49844

2011							
No schooling	45683	7275	8179	5161	18842	3685	2541
Some primary	202449	30945	32169	17819	92626	14875	14015
Complete primary	38135	7022	6337	3175	15572	2786	3244
Some secondary	209236	32731	35384	16628	96940	12946	14607
Grade 12/Std 10	110735	15312	21129	7438	53935	5739	7183
Higher	34402	4461	8192	2310	15101	1805	2533
Total	640639	97745	111390	52532	293016	41835	44122
% of Person weighted							
1996							
No schooling	22.5	21.2	20.1	26.6	23.0	27.1	18.2
Some primary	31.5	35.0	30.4	36.0	28.6	38.1	35.0
Complete primary	8.5	9.9	8.2	8.2	8.0	7.9	10.6
Some secondary	27.1	25.1	27.7	20.8	29.7	19.9	26.7
Grade 12/Std 10	7.4	5.9	9.4	5.7	8.0	5.0	6.6
Higher	3.0	3.0	4.3	2.7	2.7	2.0	2.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
No schooling	17.2	16.4	15.8	22.5	17.2	19.5	14.1
Some primary	34.8	35.9	33.5	36.1	33.7	39.2	37.6
Complete primary	7.6	9.5	8.0	7.3	6.6	7.3	9.4
Some secondary	26.7	26.2	26.6	23.4	28.2	22.7	26.3
Grade 12/Std 10	10.4	9.1	12.2	8.0	11.0	8.3	9.3
Higher	3.3	2.8	3.9	2.7	3.4	2.9	3.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
No schooling	7.1	7.4	7.3	9.8	6.4	8.8	5.8
Some primary	31.6	31.7	28.9	33.9	31.6	35.6	31.8
Complete primary	6.0	7.2	5.7	6.0	5.3	6.7	7.4
Some secondary	32.7	33.5	31.8	31.7	33.1	30.9	33.1
Grade 12/Std 10	17.3	15.7	19.0	14.2	18.4	13.7	16.3
Higher	5.4	4.6	7.4	4.4	5.2	4.3	5.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Household Services - Census 1996-2011

Table 1

Summation Options (Calculations), Census Year and Energy/fuel for cooking by South Africa by 2011 Municipal Boundaries

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dihlabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
1996							
Electricity	45001	9197	11254	4133	14512	1819	4086
Gas	6708	1200	764	476	3463	171	635
Paraffin	58253	8828	4946	3397	37029	846	3207
Wood	26323	5648	5387	3795	6077	2496	2920
Coal	28021	757	2807	2556	18807	2891	204
Animal dung	3459	490	194	269	639	1490	377
Solar	-	-	-	-	-	-	-
Other	3	-	2	-	1	-	-
None	-	-	-	-	-	-	-
Total	167768	26120	25353	14625	80529	9713	11429
2001							

Electricity	68391	10616	13692	5237	30591	2974	5281
Gas	8189	1808	1346	468	3390	261	916
Paraffin	64550	13244	8352	2747	35571	1005	3631
Wood	28099	5502	6582	3200	6683	3038	3093
Coal	22956	655	2672	2716	12507	4233	174
Animal dung	3800	806	291	456	1103	554	589
Solar	482	43	107	49	228	23	33
Other	551	71	74	32	276	43	55
None	-	-	-	-	-	-	-
Total	197018	32746	33116	14904	90349	12131	13772
2011							
Electricity	169669	27469	28945	12831	81220	7176	12028
Gas	8192	1425	1793	466	3233	440	834
Paraffin	15990	2566	2717	611	8743	305	1047
Wood	17840	1901	4413	2817	4418	3192	1099
Coal	4288	59	518	391	1798	1498	25
Animal dung	1207	151	96	153	488	232	87
Solar	233	33	41	16	108	11	24
Other	56	18	10	5	20	1	1
None	410	66	59	28	199	34	24
Total	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
1996							
Electricity	26.8	35.2	44.4	28.3	18.0	18.7	35.8
Gas	4.0	4.6	3.0	3.3	4.3	1.8	5.6
Paraffin	34.7	33.8	19.5	23.2	46.0	8.7	28.1
Wood	15.7	21.6	21.2	25.9	7.5	25.7	25.6
Coal	16.7	2.9	11.1	17.5	23.4	29.8	1.8
Animal dung	2.1	1.9	0.8	1.8	0.8	15.3	3.3
Solar	-	-	-	-	-	-	-
Other	0.0	-	0.0	-	0.0	-	-
None	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
Electricity	34.7	32.4	41.3	35.1	33.9	24.5	38.3
Gas	4.2	5.5	4.1	3.1	3.8	2.1	6.5
Paraffin	32.8	40.4	25.2	18.4	39.4	8.3	26.4
Wood	14.3	16.8	19.9	21.5	7.4	25.0	22.5
Coal	11.7	2.0	8.1	18.2	13.8	34.9	1.3
Animal dung	1.9	2.5	0.9	3.1	1.2	4.6	4.3
Solar	0.2	0.1	0.3	0.3	0.3	0.2	0.2
Other	0.3	0.2	0.2	0.2	0.3	0.4	0.4
None	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
Electricity	77.9	81.5	75.0	74.1	81.0	55.7	79.3
Gas	3.8	4.2	4.6	2.7	3.2	3.4	5.5
Paraffin	7.3	7.6	7.0	3.5	8.7	2.4	6.9
Wood	8.2	5.6	11.4	16.3	4.4	24.8	7.2
Coal	2.0	0.2	1.3	2.3	1.8	11.6	0.2
Animal dung	0.6	0.4	0.2	0.9	0.5	1.8	0.6
Solar	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Other	0.0	0.1	0.0	0.0	0.0	0.0	0.0
None	0.2	0.2	0.2	0.2	0.2	0.3	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Household Services - Census 1996-2011

Table 1

Summation Options (Calculations), Census Year and Energy/fuel for heating by South Africa by 2011 Municipal Boundaries

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dihlabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
1996							
Electricity	40975	7874	10321	3609	13879	1702	3591
Gas	2674	406	416	127	1415	97	211
Paraffin	35844	5737	3512	1663	22651	654	1627
Wood	32273	7100	6151	4217	8428	2432	3945
Coal	49596	4097	4323	4341	32390	3121	1323
Animal dung	3763	549	163	278	795	1506	473
Solar	-	-	-	-	-	-	-
Other	21	4	6	2	1	-	7
None	-	-	-	-	-	-	-
Total	165146	25767	24893	14238	79559	9513	11177
2001							
Electricity	54891	7488	11598	4232	24392	2819	4362
Gas	3567	651	870	163	1472	99	312
Paraffin	42334	10007	6115	1329	21902	674	2306
Wood	38813	8847	8219	3719	9989	3072	4968
Coal	49221	4002	5574	4703	29396	4781	764
Animal dung	3809	844	206	470	1159	566	563
Solar	457	83	44	56	222	12	39
Other	3927	821	491	231	1818	107	458
None	-	-	-	-	-	-	-
Total	197018	32746	33116	14904	90349	12131	13772
2011							
Electricity	105114	15430	19595	9397	49559	5213	5920
Gas	7825	1062	1802	440	3521	270	730
Paraffin	37974	9320	5965	447	17972	192	4079
Wood	33582	4286	7317	4494	11148	3422	2915
Coal	16486	411	2031	1193	9667	2978	206
Animal dung	1612	215	122	185	646	286	157
Solar	281	45	51	19	136	13	17
Other	11	1	1	2	7	-	-
None	14999	2917	1709	1142	7573	513	1144
Total	217884	33637	38593	17318	100228	12888	15170
% of Household weighted							
1996							
Electricity	24.8	30.6	41.5	25.3	17.4	17.9	32.1
Gas	1.6	1.6	1.7	0.9	1.8	1.0	1.9
Paraffin	21.7	22.3	14.1	11.7	28.5	6.9	14.6
Wood	19.5	27.6	24.7	29.6	10.6	25.6	35.3
Coal	30.0	15.9	17.4	30.5	40.7	32.8	11.8
Animal dung	2.3	2.1	0.7	2.0	1.0	15.8	4.2
Solar	-	-	-	-	-	-	-
Other	0.0	0.0	0.0	0.0	0.0	-	0.1
None	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
Electricity	27.9	22.9	35.0	28.4	27.0	23.2	31.7
Gas	1.8	2.0	2.6	1.1	1.6	0.8	2.3

Paraffin	21.5	30.6	18.5	8.9	24.2	5.6	16.7
Wood	19.7	27.0	24.8	25.0	11.1	25.3	36.1
Coal	25.0	12.2	16.8	31.6	32.5	39.4	5.5
Animal dung	1.9	2.6	0.6	3.2	1.3	4.7	4.1
Solar	0.2	0.3	0.1	0.4	0.2	0.1	0.3
Other	2.0	2.5	1.5	1.6	2.0	0.9	3.3
None	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
Electricity	48.2	45.8	50.8	54.3	49.4	40.5	39.0
Gas	3.6	3.2	4.7	2.5	3.5	2.1	4.8
Paraffin	17.4	27.7	15.5	2.6	17.9	1.5	26.9
Wood	15.4	12.7	19.0	25.9	11.1	26.6	19.2
Coal	7.6	1.2	5.3	6.9	9.6	23.1	1.4
Animal dung	0.7	0.6	0.3	1.1	0.6	2.2	1.0
Solar	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other	0.0	0.0	0.0	0.0	0.0	-	-
None	6.9	8.7	4.4	6.6	7.6	4.0	7.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Household Services - Census 1996-2011

Table 1

Summation Options (Calculations), Census Year and Energy/fuel for lighting by South Africa by 2011 Municipal Boundaries

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dikhabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
1996							
Electricity	71299	16664	16397	8070	18388	3928	7853
Gas	325	45	30	27	163	40	19
Paraffin	7403	1289	975	668	3678	366	427
Candles	88528	8119	7870	5857	58185	5362	3129
Solar	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-
Other	2	-	1	-	-	-	1
Total	167552	26118	25273	14621	80414	9696	11429
2001							
Electricity	126421	23767	22133	11350	51119	7745	10307
Gas	258	38	49	16	116	13	26
Paraffin	5063	1096	956	211	2479	65	257
Candles	63870	7595	9676	3160	36203	4162	3075
Solar	835	163	227	100	213	84	47
None	-	-	-	-	-	-	-
Other	572	87	75	67	219	63	59
Total	197018	32746	33116	14904	90349	12131	13772
2011							
Electricity	189939	29850	32723	14661	89244	9657	13805
Gas	246	31	48	11	113	35	8
Paraffin	2196	374	518	106	1068	60	70
Candles	24625	3292	5155	2459	9427	3064	1228
Solar	452	67	78	50	191	37	29

None	426	73	70	80	185	35	80
Other	-	-	-	-	-	-	-
Total	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
1996							
Electricity	42.6	63.8	64.9	55.2	22.9	40.5	68.7
Gas	0.2	0.2	0.1	0.2	0.2	0.4	0.2
Paraffin	4.4	4.9	3.9	4.6	4.6	3.8	3.7
Candles	52.8	31.1	31.1	40.1	72.4	55.3	27.4
Solar	-	-	-	-	-	-	-
None	-	-	-	-	-	-	-
Other	0.0	-	0.0	-	-	-	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
Electricity	64.2	72.6	66.8	76.2	56.6	63.8	74.8
Gas	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Paraffin	2.6	3.3	2.9	1.4	2.7	0.5	1.9
Candles	32.4	23.2	29.2	21.2	40.1	34.3	22.3
Solar	0.4	0.5	0.7	0.7	0.2	0.7	0.3
None	-	-	-	-	-	-	-
Other	0.3	0.3	0.2	0.5	0.2	0.5	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
Electricity	87.2	88.6	84.8	84.7	89.0	74.9	91.0
Gas	0.1	0.1	0.1	0.1	0.1	0.3	0.0
Paraffin	1.0	1.1	1.3	0.6	1.1	0.5	0.5
Candles	11.3	9.8	13.4	14.2	9.4	23.8	8.1
Solar	0.2	0.2	0.2	0.3	0.2	0.3	0.2
None	0.2	0.2	0.2	0.2	0.2	0.3	0.2
Other	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Statistics South Africa Household Services_Electoral_Wards Table 1 Summation Options (Calculations) and Annual household income by Geography							
	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dikhalabeng	FS193: Nketoana	FS194: Mahai a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
No income	24155	4283	2418	1251	13561	1216	1426
R 1 - R 4800	15785	2317	1892	965	9065	650	897
R 4801 - R 9600	24701	3792	3081	1701	13760	1073	1293
R 9601 - R 19 600	52013	8381	8514	4411	23717	3323	3666
R 19 601 - R 38 200	49255	7480	9444	4611	20708	3282	3730
R 38 201 - R 76 400	23439	3285	5440	2105	8994	1765	1849
R 76 401 - R 153 800	13613	1942	3428	1126	5240	814	1068
R 153 801 - R 307 600	9085	1425	2489	697	3272	465	737
R 307 601 - R 614 400	4240	581	1372	290	1451	204	342
R 614 001 - R 1 228 800	958	108	329	92	261	57	111
R 1 228 801 - R 2 457 600	360	51	104	42	106	23	33
R 2 457 601 or more	279	42	82	27	92	15	21
Total	217882	33687	38593	17318	100227	12887	15170
% of Household weighted							
No income	11.1	12.7	6.3	7.2	13.5	9.4	9.4
R 1 - R 4800	7.2	6.9	4.9	5.6	9.0	5.0	5.9
R 4801 - R 9600	11.3	11.3	8.0	9.8	13.7	8.3	8.5
R 9601 - R 19 600	23.9	24.9	22.1	25.5	23.7	25.8	24.2
R 19 601 - R 38 200	22.6	22.2	24.5	26.6	20.7	25.5	24.6
R 38 201 - R 76 400	10.8	9.8	14.1	12.2	9.0	13.7	12.2
R 76 401 - R 153 800	6.2	5.8	8.9	6.5	5.2	6.3	7.0
R 153 801 - R 307 600	4.2	4.2	6.4	4.0	3.3	3.6	4.9
R 307 601 - R 614 400	1.9	1.7	3.6	1.7	1.4	1.6	2.3
R 614 001 - R 1 228 800	0.4	0.3	0.9	0.5	0.3	0.4	0.7
R 1 228 801 - R 2 457 600	0.2	0.2	0.3	0.2	0.1	0.2	0.2
R 2 457 601 or more	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research Household Services - Census 1996-2011 Table 1 Summation Options (Calculations), Census Year and Refuse removal by South Africa by 2011 Municipal Boundaries							
	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dikhalabeng	FS193: Nketoana	FS194: Mahai a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
1996							
Removed by local authority at least once a week	62454	12178	16282	7468	16078	5122	5327
Removed by local authority less often	7891	4631	1005	345	473	57	1380
Communal refuse dump	8536	1588	1253	354	4346	152	843
Own refuse dump	75975	5900	5758	5023	52802	3097	3395
No rubbish disposal	11784	1586	836	1341	6368	1249	405
Other	52	2	11	-	25	2	12

Total	166694	25886	25145	14531	80092	9679	11362
2001							
Removed by local authority at least once a week	83221	17039	20812	9483	20112	7275	8499
Removed by local authority less often	6317	3920	611	239	551	178	818
Communal refuse dump	5696	634	574	369	3829	30	259
Own refuse dump	75231	7756	7182	3261	51045	3274	2712
No rubbish disposal	26554	3395	3936	1552	14812	1374	1484
Other	-	-	-	-	-	-	-
Total	197018	32746	33116	14904	90349	12131	13772
2011							
Removed by local authority at least once a week	107125	18534	30963	12506	24873	8390	11860
Removed by local authority less often	2042	841	395	262	424	58	61
Communal refuse dump	8245	808	1031	545	4591	586	683
Own refuse dump	86680	10961	4965	3225	61972	3334	2223
No rubbish disposal	12254	2323	1088	682	7414	460	286
Other	1539	220	152	97	953	60	57
Total	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
1996							
Removed by local authority at least once a week	37.5	47.0	64.8	51.4	20.1	52.9	46.9
Removed by local authority less often	4.7	17.9	4.0	2.4	0.6	0.6	12.1
Communal refuse dump	5.1	6.1	5.0	2.4	5.4	1.6	7.4
Own refuse dump	45.6	22.8	22.9	34.6	65.9	32.0	29.9
No rubbish disposal	7.1	6.1	3.3	9.2	8.0	12.9	3.6
Other	0.0	0.0	0.0	-	0.0	0.0	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
Removed by local authority at least once a week	42.2	52.0	62.8	63.6	22.3	60.0	61.7
Removed by local authority less often	3.2	12.0	1.8	1.6	0.6	1.5	5.9
Communal refuse dump	2.9	1.9	1.7	2.5	4.2	0.2	1.9
Own refuse dump	38.9	23.7	21.7	21.9	56.5	27.0	19.7
No rubbish disposal	13.5	10.4	11.9	10.4	16.4	11.3	10.8
Other	-	-	-	-	-	-	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
Removed by local authority at least once a week	49.2	55.0	80.2	72.2	24.8	65.1	78.2
Removed by local authority less often	0.9	2.5	1.0	1.5	0.4	0.4	0.4
Communal refuse dump	3.8	2.4	2.7	3.1	4.6	4.5	4.5
Own refuse dump	39.8	32.5	12.9	18.6	61.8	25.9	14.7
No rubbish disposal	5.6	6.9	2.8	3.9	7.4	3.6	1.9
Other	0.7	0.7	0.4	0.6	1.0	0.5	0.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Statistics South Africa

Household Services_Electoral_Wards

Table 1

Summation Options (Calculations) and Source of water by Geography

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dihlabeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
Regional/local water scheme (operated by municipality or other water services provider)	188562	29567	33259	13983	89317	9762	12775
Borehole	14783	2502	3049	2475	3282	1688	1787
Spring	1317	143	561	33	311	180	90
Rain water tank	724	105	80	52	344	97	46
Dam/pool/stagnant water	1972	153	186	101	1346	130	55
River/stream	566	48	84	22	320	61	30
Water vendor	1458	288	191	104	694	102	78
Water tanker	4549	608	954	440	1609	790	148
Other	3853	274	229	108	3004	78	161
Total	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
Regional/local water scheme (operated by municipality or other water services provider)	86.6	87.8	86.2	80.7	89.1	75.7	84.2
Borehole	6.8	7.4	7.9	14.3	3.3	13.1	11.8
Spring	0.6	0.4	1.5	0.2	0.3	1.4	0.6
Rain water tank	0.3	0.3	0.2	0.3	0.3	0.7	0.3
Dam/pool/stagnant water	0.9	0.5	0.5	0.6	1.3	1.0	0.4
River/stream	0.3	0.1	0.2	0.1	0.3	0.5	0.2
Water vendor	0.7	0.9	0.5	0.6	0.7	0.8	0.5
Water tanker	2.1	1.8	2.5	2.5	1.6	6.1	1.0
Other	1.8	0.8	0.6	0.6	3.0	0.6	1.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Household Services - Census 1996-2011

Table 1

Summation Options (Calculations), Census Year and Toilet facility (includes 1996) by South Africa by 2011 Municipal Boundaries

	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Diklatseng	FS193: Nketoana	FS194: Mahuli a Phofung	FS195: Phumelela	FS196: Mantsope
Household weighted							
1996							
Flush or chemical toilet	44642	7161	15827	2219	12320	2967	4149
Pit latrine	77289	3718	3685	2794	62719	2257	2115
Bucket latrine	30075	11263	3047	7425	3198	1778	3365
None of the above	15903	4005	2829	2226	2307	2716	1819
Total	167909	26146	25387	14664	80544	9718	11448
2001							
Flush or chemical toilet	59379	7806	18891	1986	22017	3931	4746
Pit latrine	77540	3605	3383	2634	63314	2565	2039
Bucket latrine	40801	17028	5296	8139	1912	3236	5191
None of the above	19298	4307	5545	2146	3106	2399	1795
Total	197018	32746	33116	14904	90349	12131	13772
2011							
Flush or chemical toilet	116298	20743	29890	11217	35636	8136	10677
Pit latrine	77821	3354	6789	3278	59622	3299	1480
Bucket latrine	13877	7841	789	1991	638	88	2530
None of the above	9889	1750	1125	833	4332	1366	483
Total	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
1996							
Flush or chemical toilet	26.6	27.4	62.3	15.1	15.3	30.5	36.2
Pit latrine	46.0	14.2	14.5	19.1	77.9	23.2	18.5
Bucket latrine	17.9	43.1	12.0	50.6	4.0	18.3	29.4
None of the above	9.5	15.3	11.1	15.2	2.9	28.0	15.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001							
Flush or chemical toilet	30.1	23.8	57.0	13.3	24.4	32.4	34.5
Pit latrine	39.4	11.0	10.2	17.7	70.1	21.1	14.8
Bucket latrine	20.7	52.0	16.0	54.6	2.1	26.7	37.7
None of the above	9.8	13.2	16.7	14.4	3.4	19.8	13.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011							
Flush or chemical toilet	53.4	61.6	77.4	64.8	35.6	63.1	70.4
Pit latrine	35.7	10.0	17.6	18.9	59.5	25.6	9.8
Bucket latrine	6.4	23.3	2.0	11.5	0.6	0.7	16.7
None of the above	4.5	5.2	2.9	4.8	4.3	10.6	3.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Space-Time Research

Household Services - Census 1996-2011

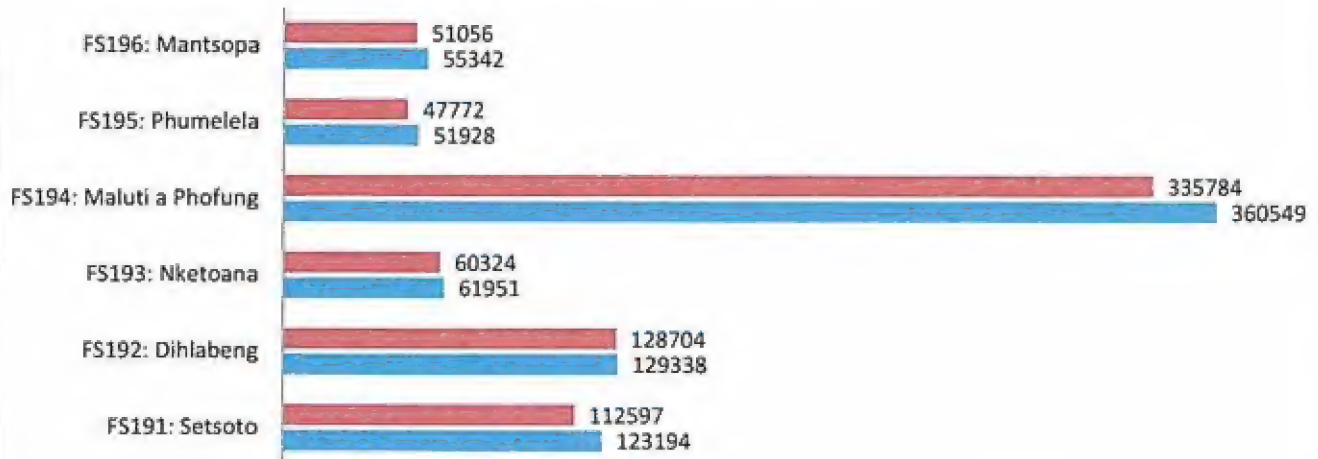
Table 1

Summation Options (Calculations), Access to piped water and Census Year by South Africa by 2011 Municipal Boundaries

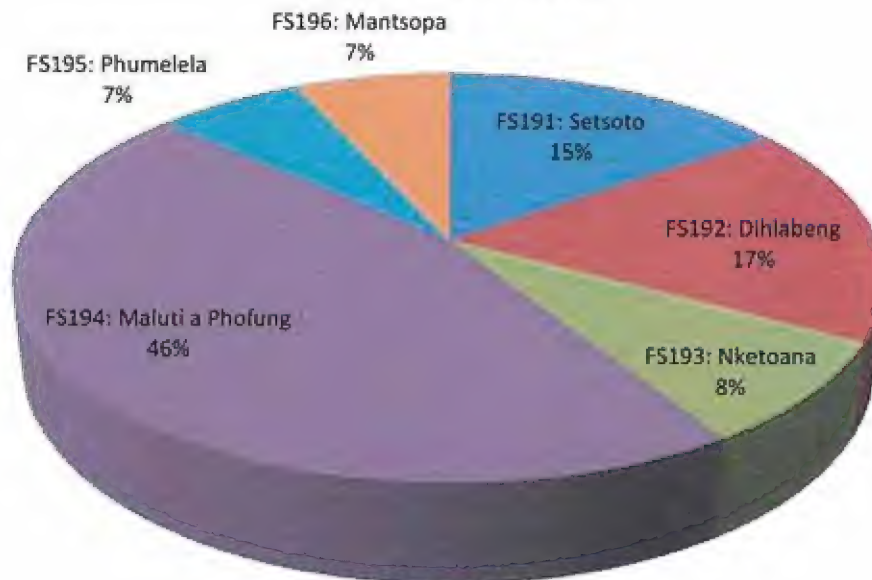
	DC19: Thabo Mofutsanyane	FS191: Setsoto	FS192: Dhlubeng	FS193: Nketoana	FS194: Maluti a Phofung	FS195: Phumelela	FS196: Mantsopa
Household weighted							
Piped water inside the dwelling							
1996	46261	7995	11679	3906	13658	2805	4217
2001	34224	4273	8291	2069	15233	1700	2658
2011	73263	10575	16915	4877	31927	3939	5031
Piped water inside the yard							
1996	48154	9052	9267	6255	15343	3393	4845
2001	87092	11439	16120	9512	35372	7140	7509
2011	117093	20020	17211	9894	53493	7015	9460
Piped water from access point outside the yard							
1996	60322	6985	1920	2290	46579	1147	1401
2001	63748	15468	6724	2920	33335	2256	3046
2011	20477	2462	3613	1602	10881	1417	503
No access to piped water							
1996	13125	2102	2519	2207	2954	2370	973
2001	11954	1566	1981	403	6409	1036	559
2011	7051	631	854	946	3927	516	176
Total							
1996	167862	26135	25385	14658	80533	9714	11437
2001	197018	32746	33116	14904	90349	12131	13772
2011	217884	33687	38593	17318	100228	12888	15170
% of Household weighted							
Piped water inside the dwelling							
1996	27.6	30.6	46.0	26.6	19.4	28.9	36.9
2001	17.4	13.0	25.0	13.9	16.9	14.0	19.3
2011	33.6	31.4	43.8	28.2	31.9	30.6	33.2
Piped water inside the yard							
1996	28.7	34.6	36.5	42.7	19.1	34.9	42.4
2001	44.2	34.9	48.7	63.8	39.2	58.9	54.5
2011	53.7	59.4	44.6	57.1	53.4	54.4	62.4
Piped water from access point outside the yard							
1996	35.9	26.7	7.6	15.6	57.8	11.8	12.3
2001	32.4	47.2	20.3	19.6	36.9	18.6	22.1
2011	9.4	7.3	9.4	9.2	10.9	11.0	3.3
No access to piped water							
1996	7.8	8.0	9.9	15.1	3.7	24.4	8.5
2001	6.1	4.8	6.0	2.7	7.1	8.5	4.1
2011	3.2	1.9	2.2	5.5	3.9	4.0	1.2
Total							
1996	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2011	100.0	100.0	100.0	100.0	100.0	100.0	100.0

DC 19: Thabo Mofutsanyana Municipalities

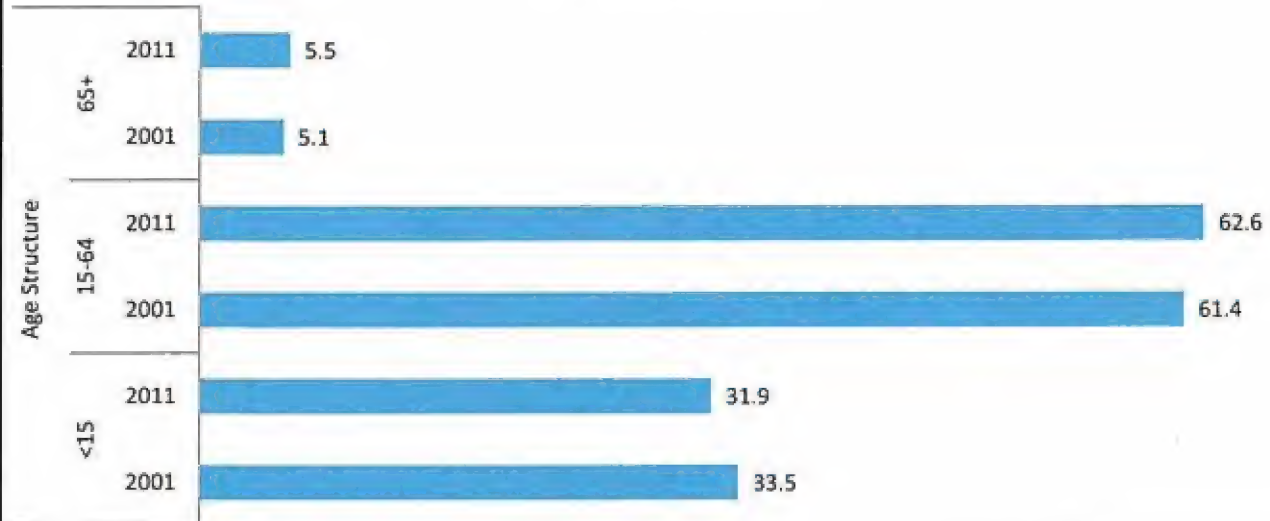
■ Population 2011 ■ Population 2001



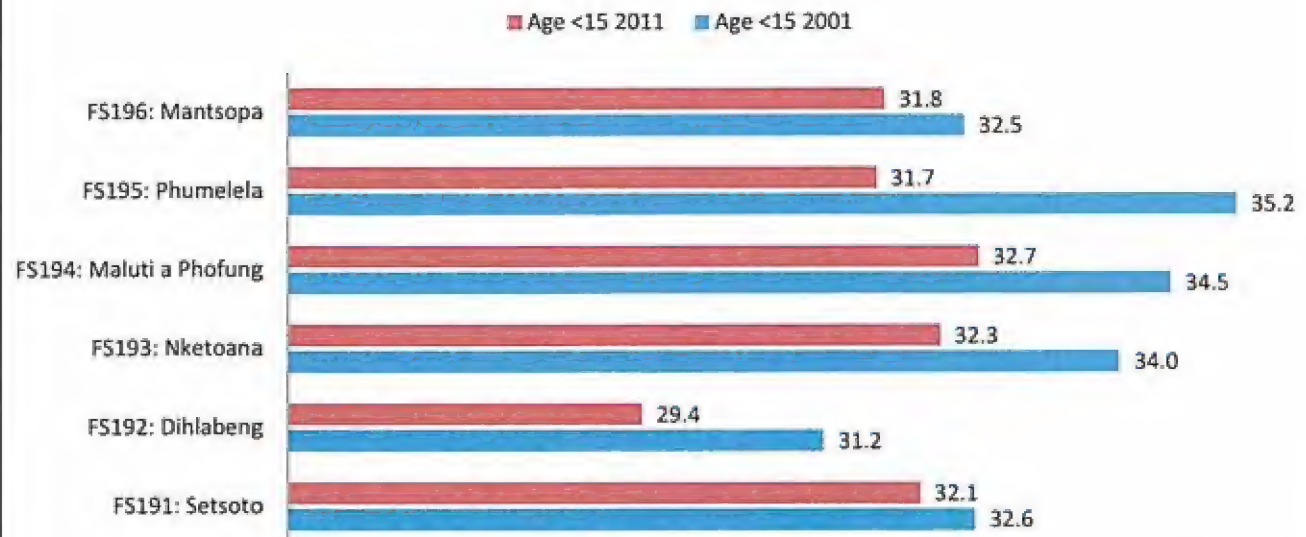
DC 19: Thabo Mofutsanyana Population: 2011



DC19: Thabo Mofutsanyana (Age Structure)

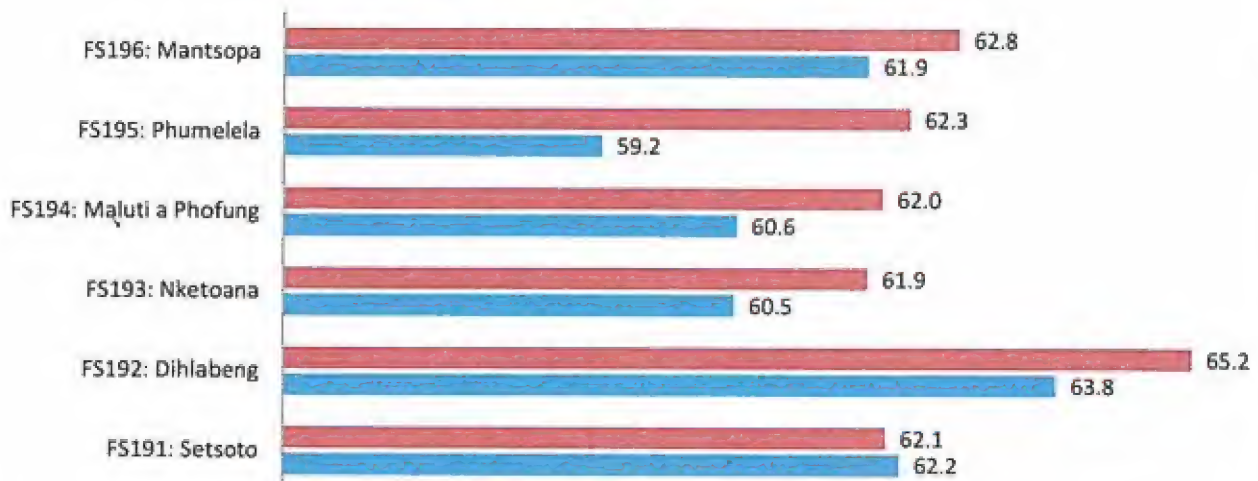


DC 19: Thabo Mofutsanyana Municipalities (Age Structure)



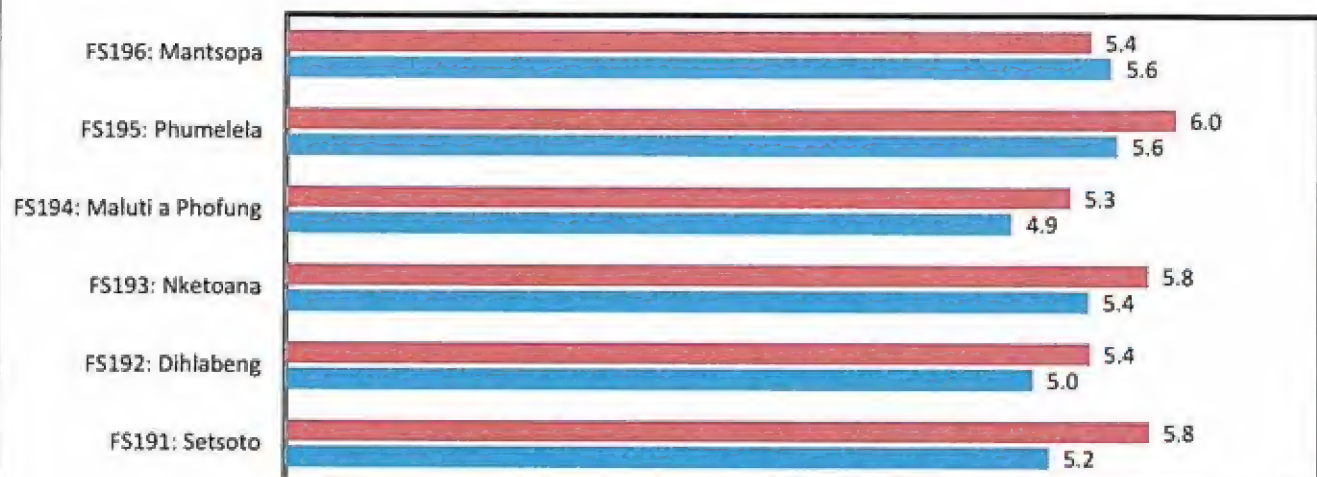
DC 19: Thabo Mofutsanyana Municipalities (Age Structure)

Age 15-64 2011 Age 15-64 2001

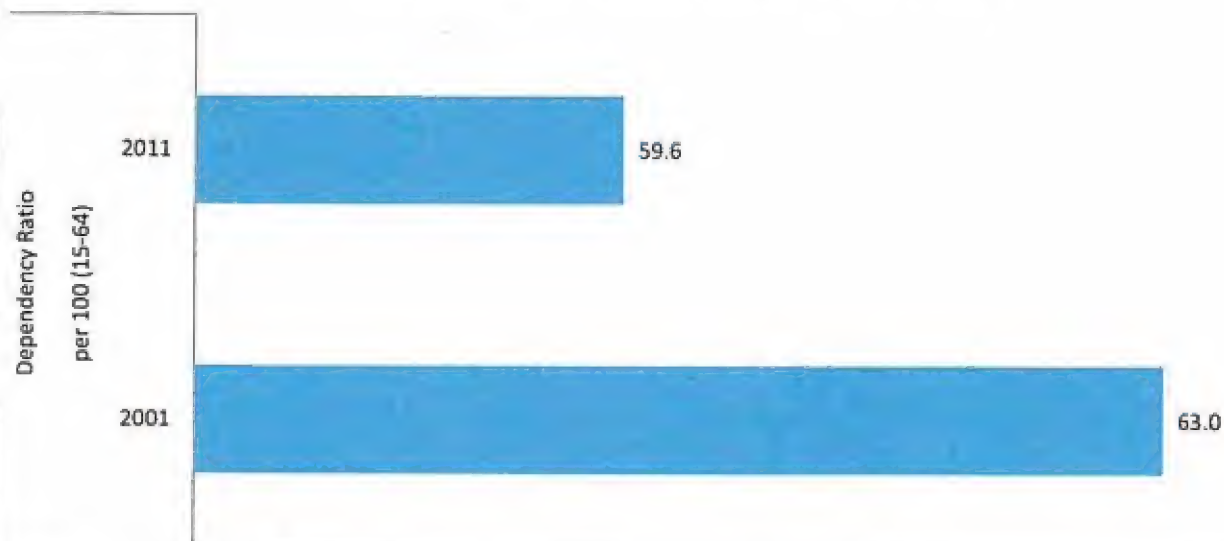


DC 19: Thabo Mofutsanyana Municipalities (Age Structure)

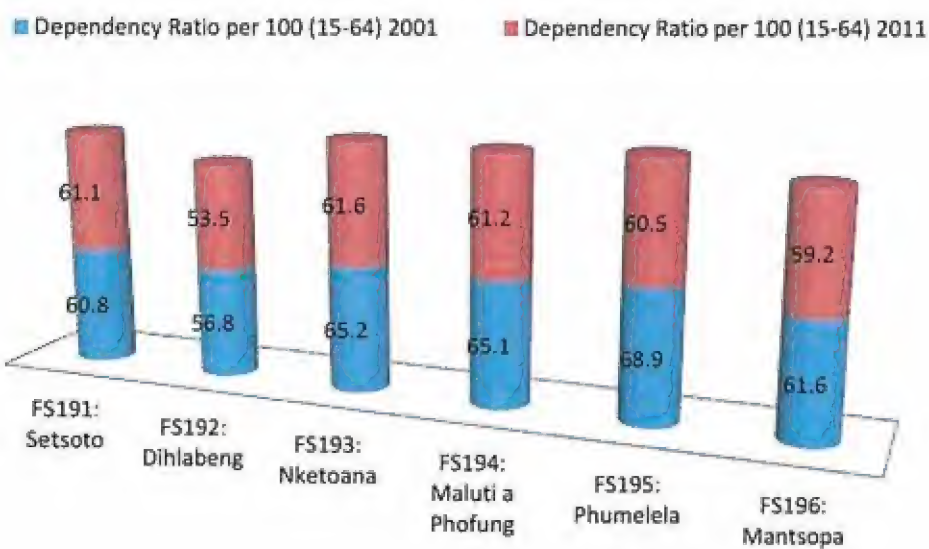
Age 65+ 2011 Age 65+ 2001



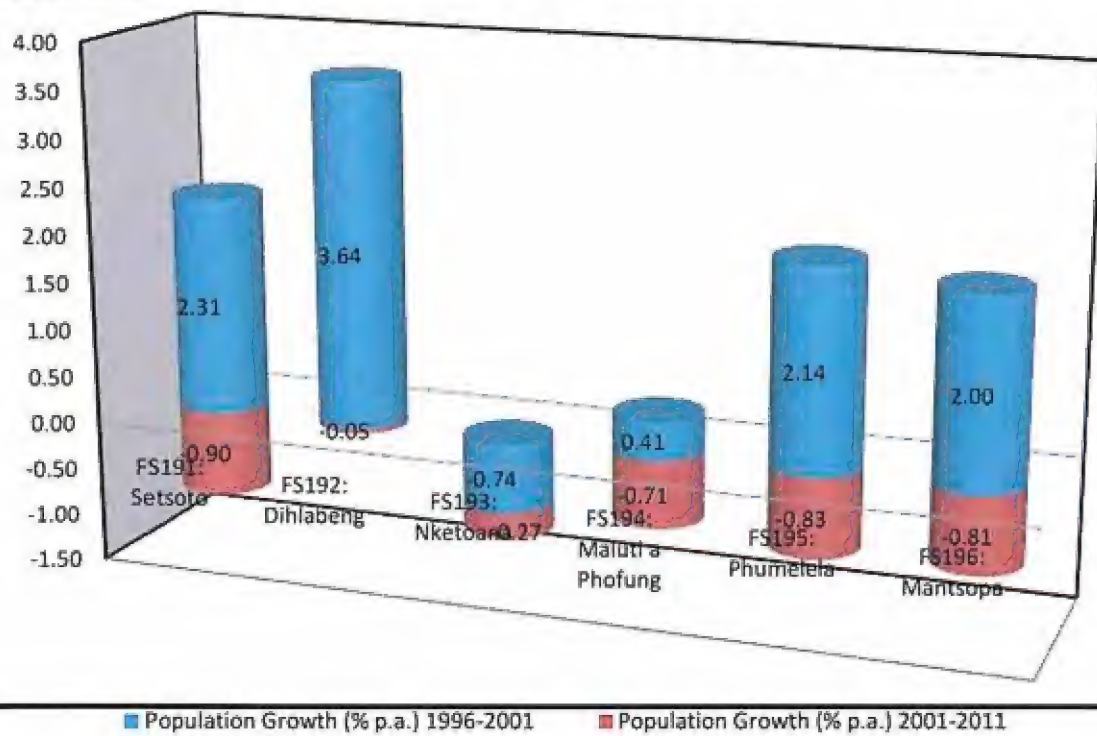
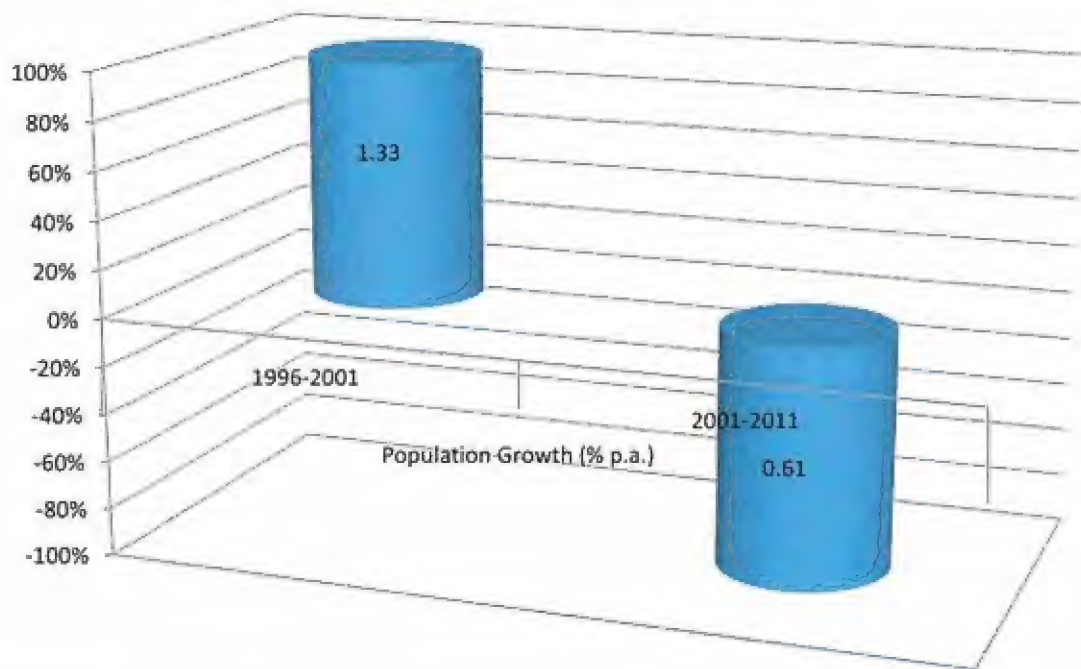
DC19: Thabo Mofutsanyana Dependency Ratio per 100(15 – 64)



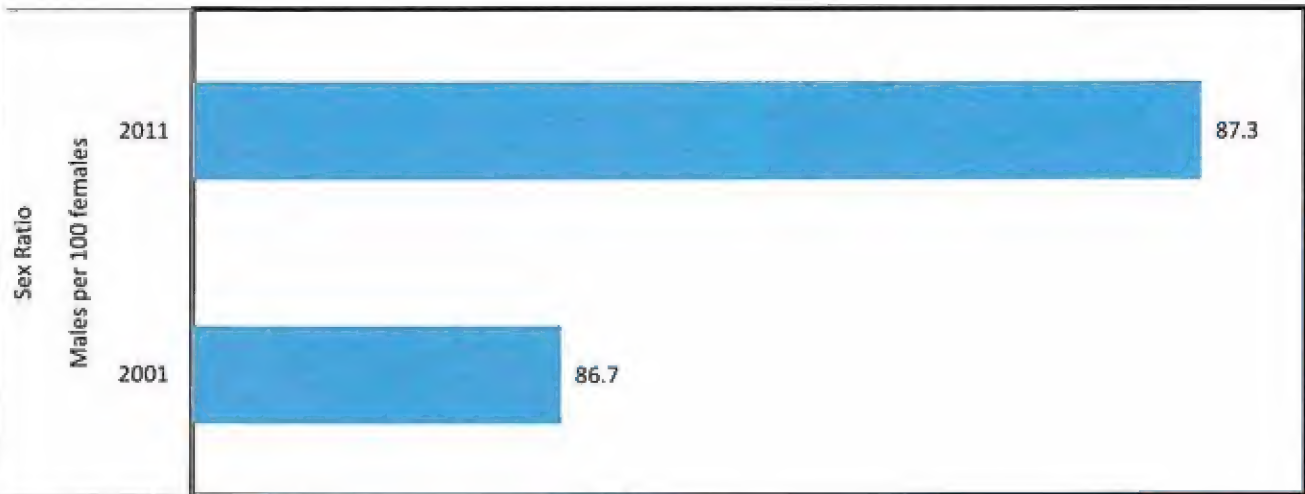
DC 19: Thabo Mofutsanyana Municipalities



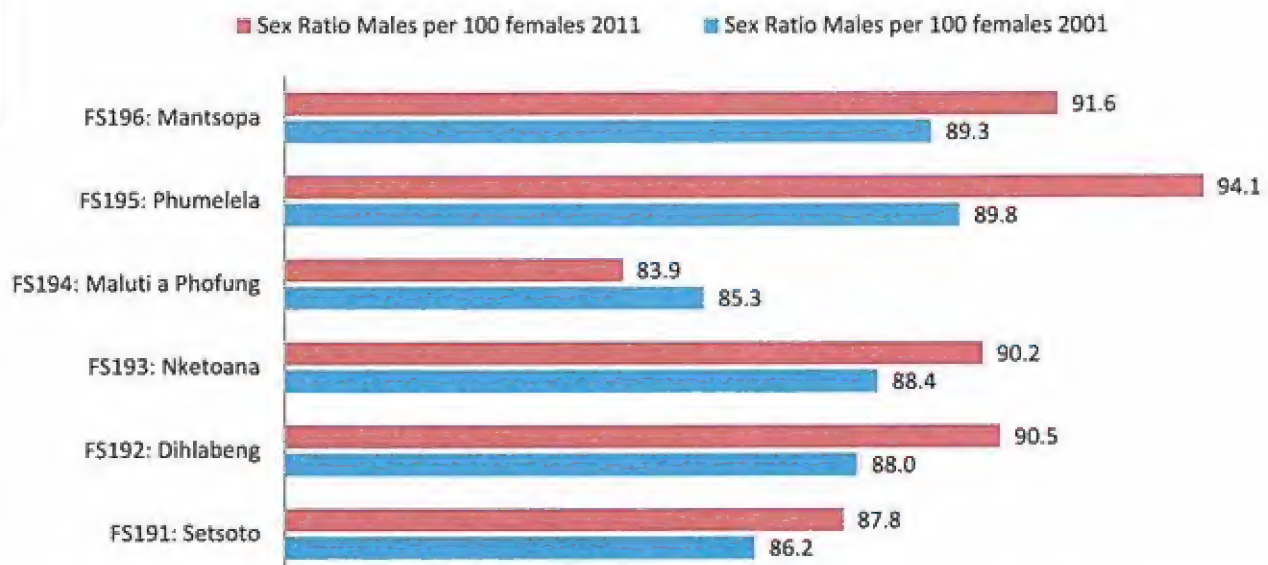
DC19: Thabo Mofutsanyana Population Growth



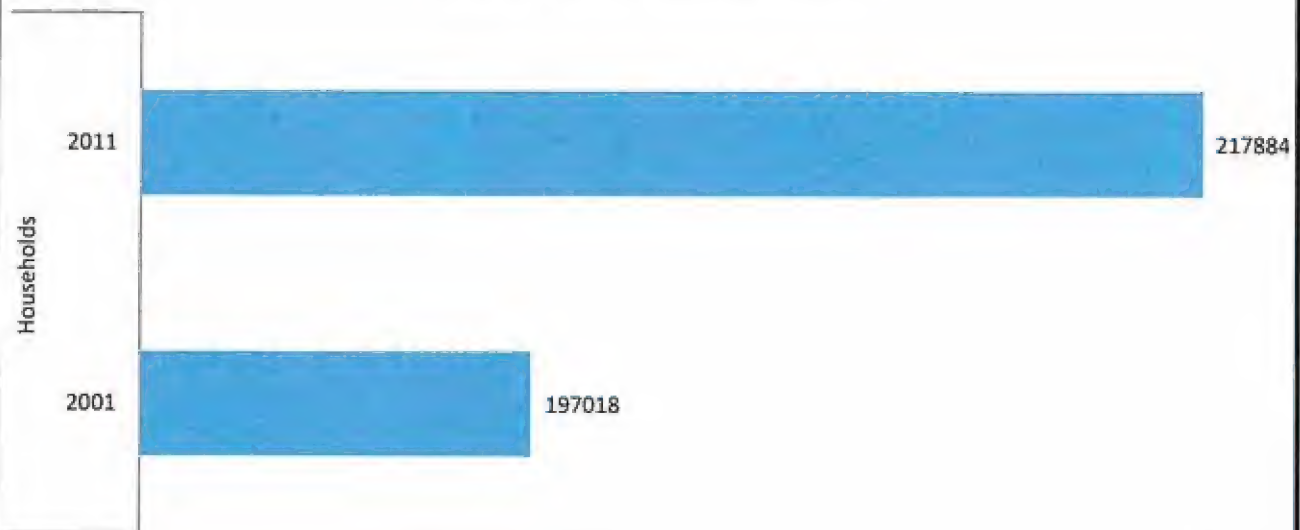
DC19: Thabo Mofutsanyana Sex Ratio: Males per 100 females



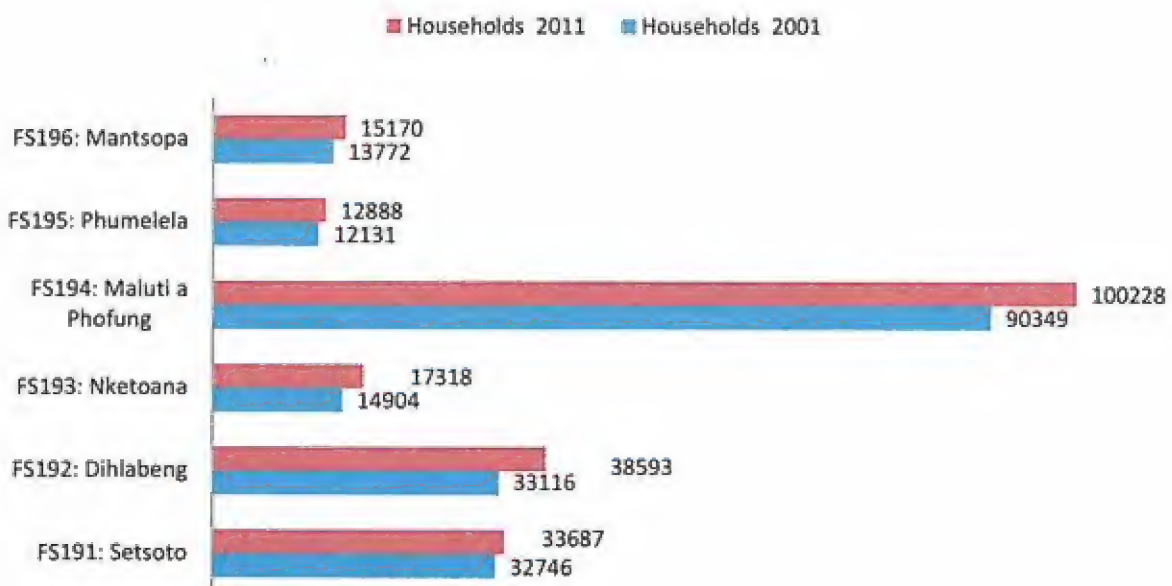
DC19: Thabo Mofutsanyana Municipalities



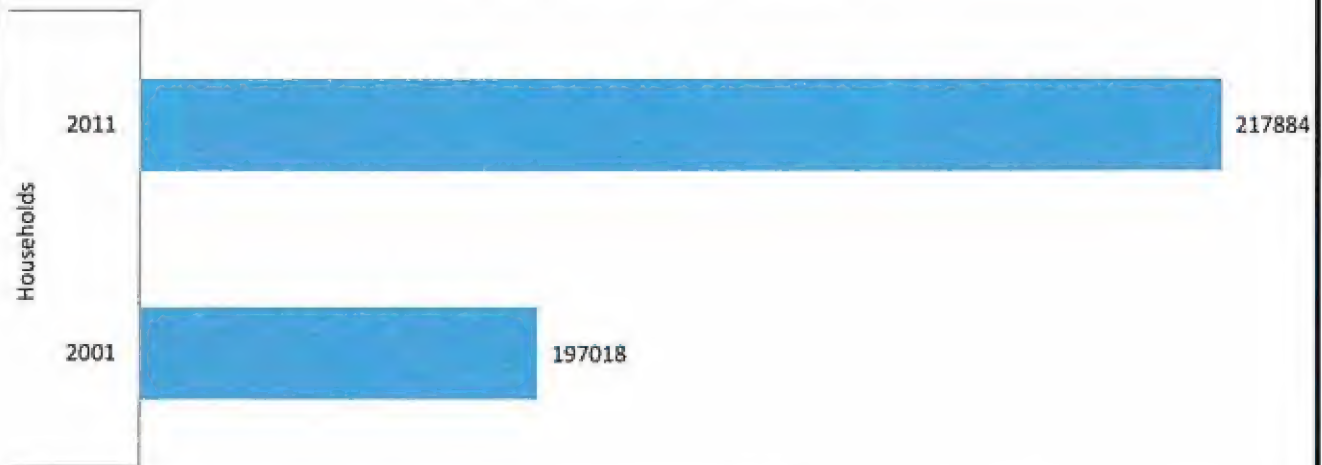
DC 19: Thabo Mofutsanyana Number of Households



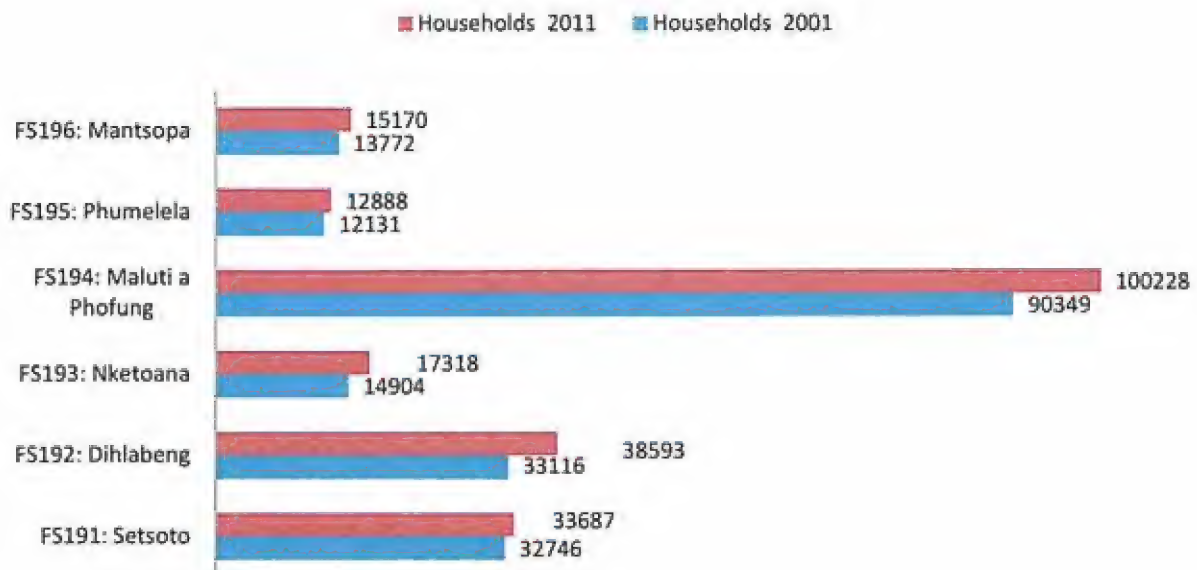
DC 19: Thabo Mofutsanyana Municipalities

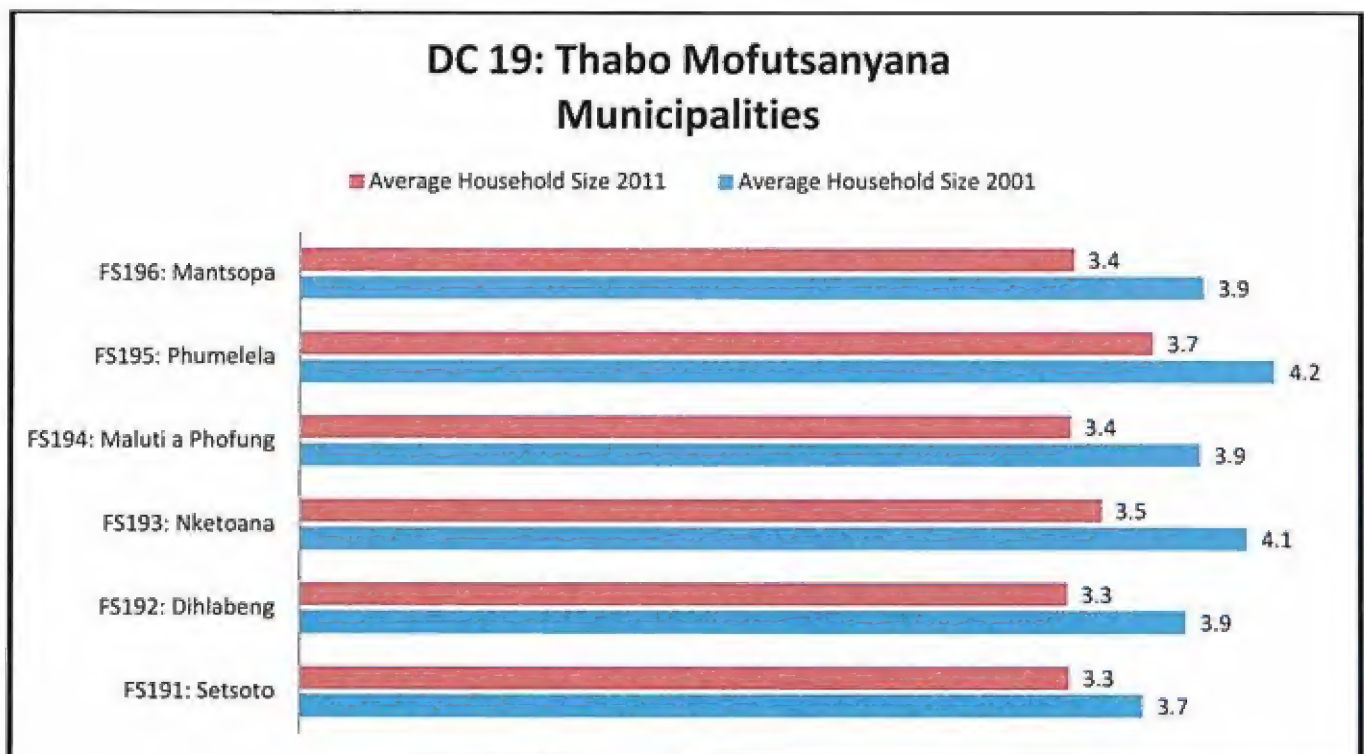
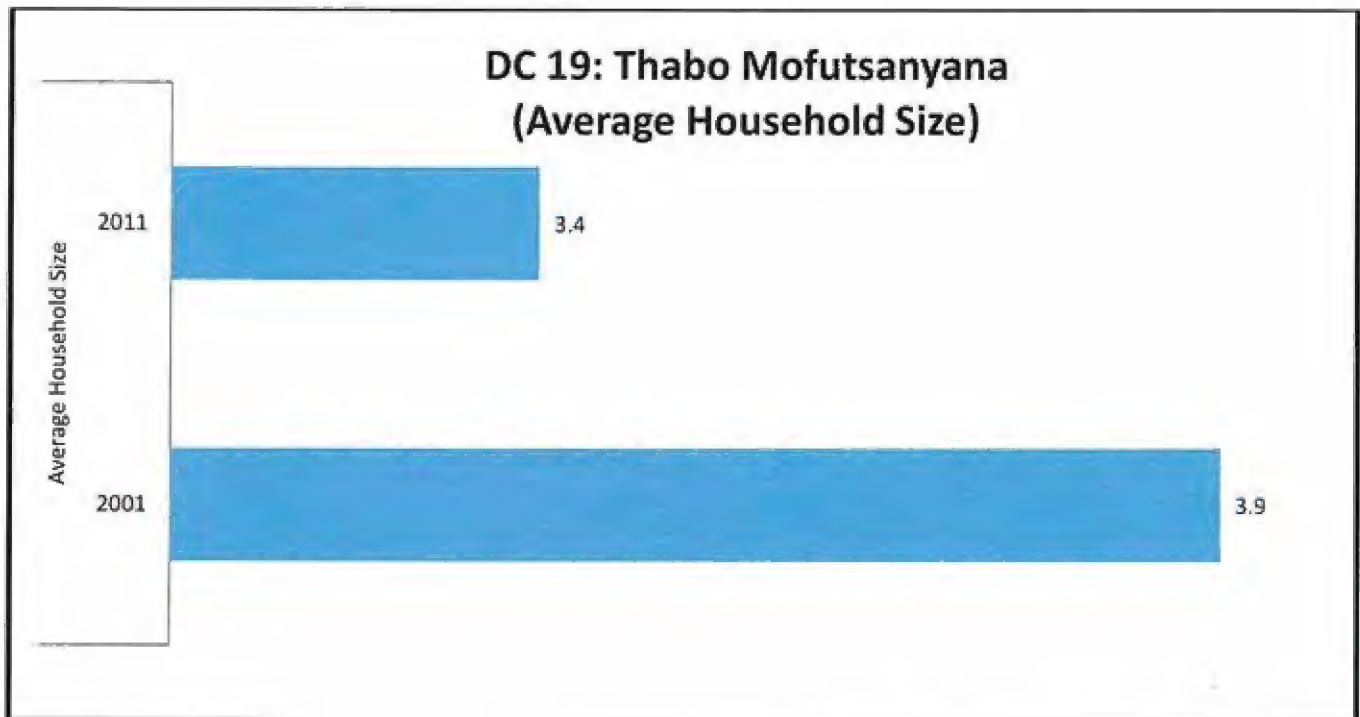


DC 19: Thabo Mofutsanyana Number of Households



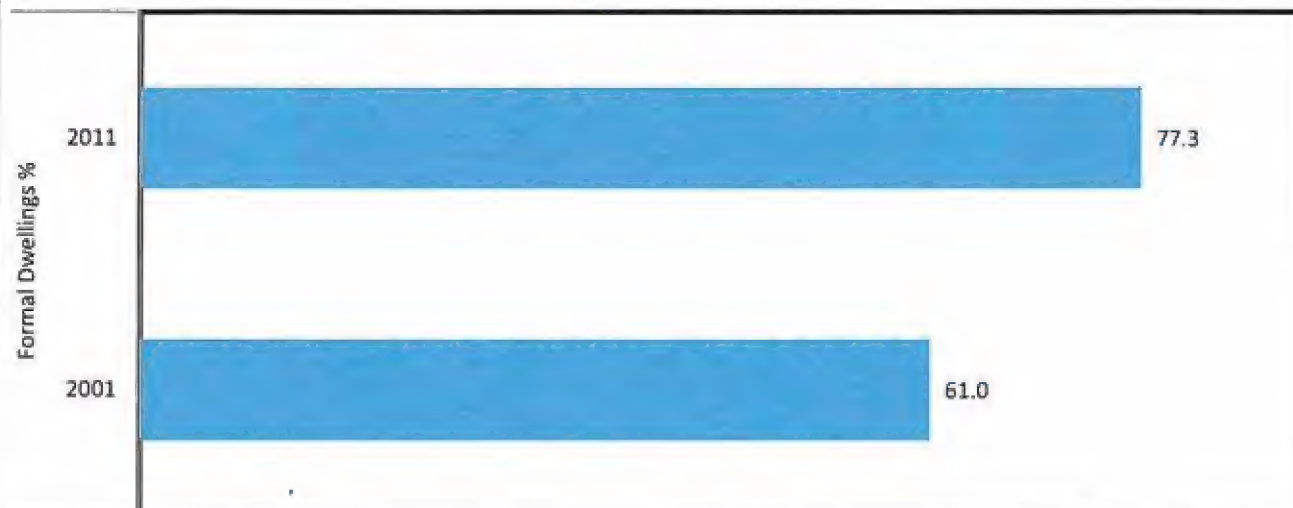
DC 19: Thabo Mofutsanyana Municipalities





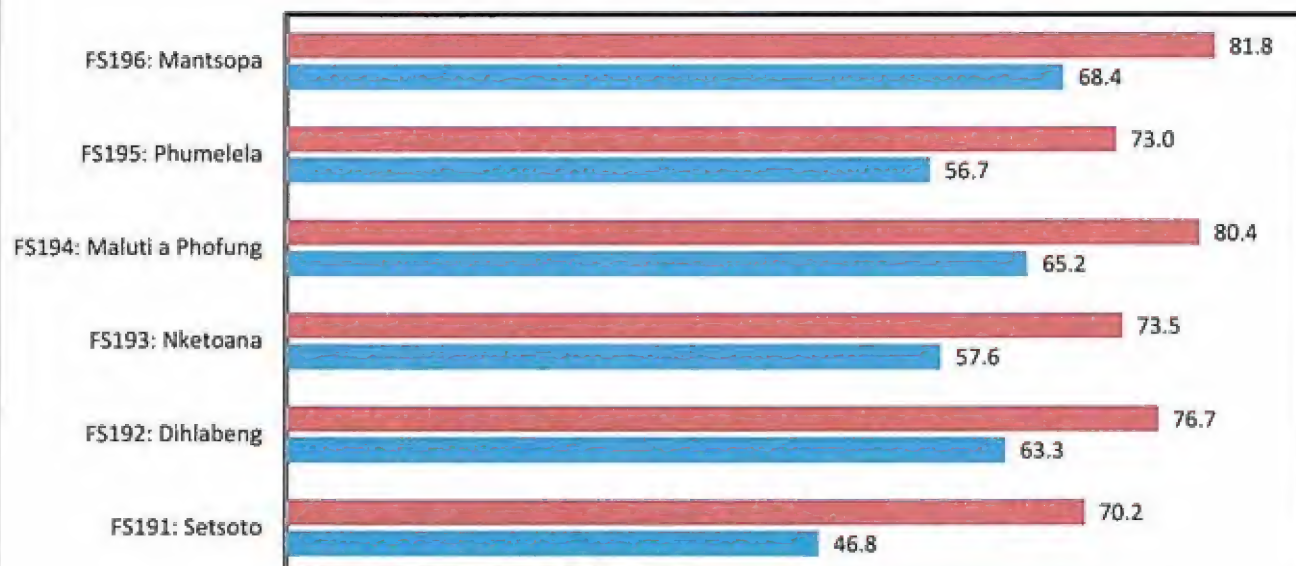
DC 19: Thabo Mofutsanyana (Formal Dwelling %)

Household Dynamics

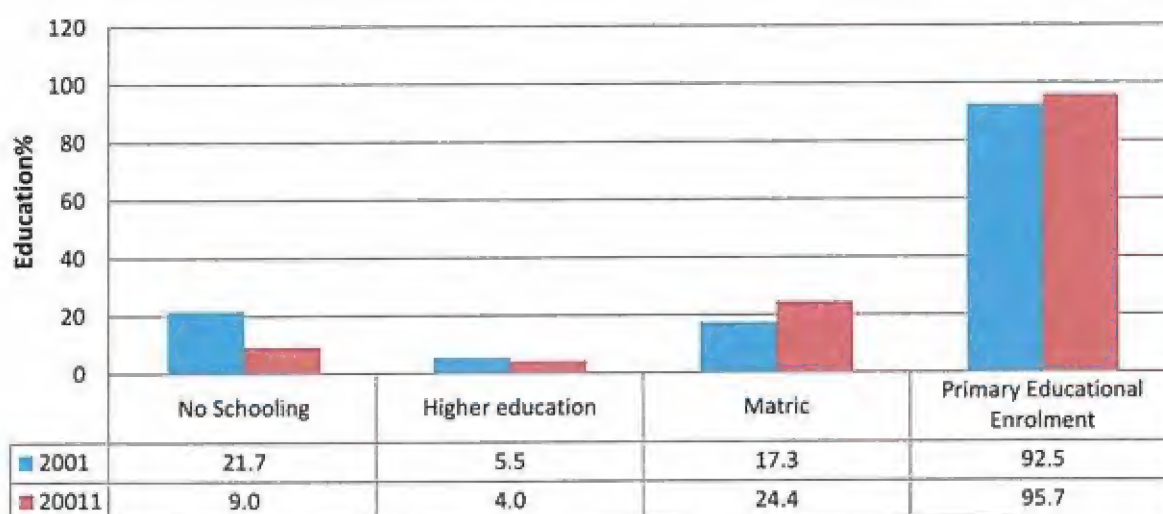


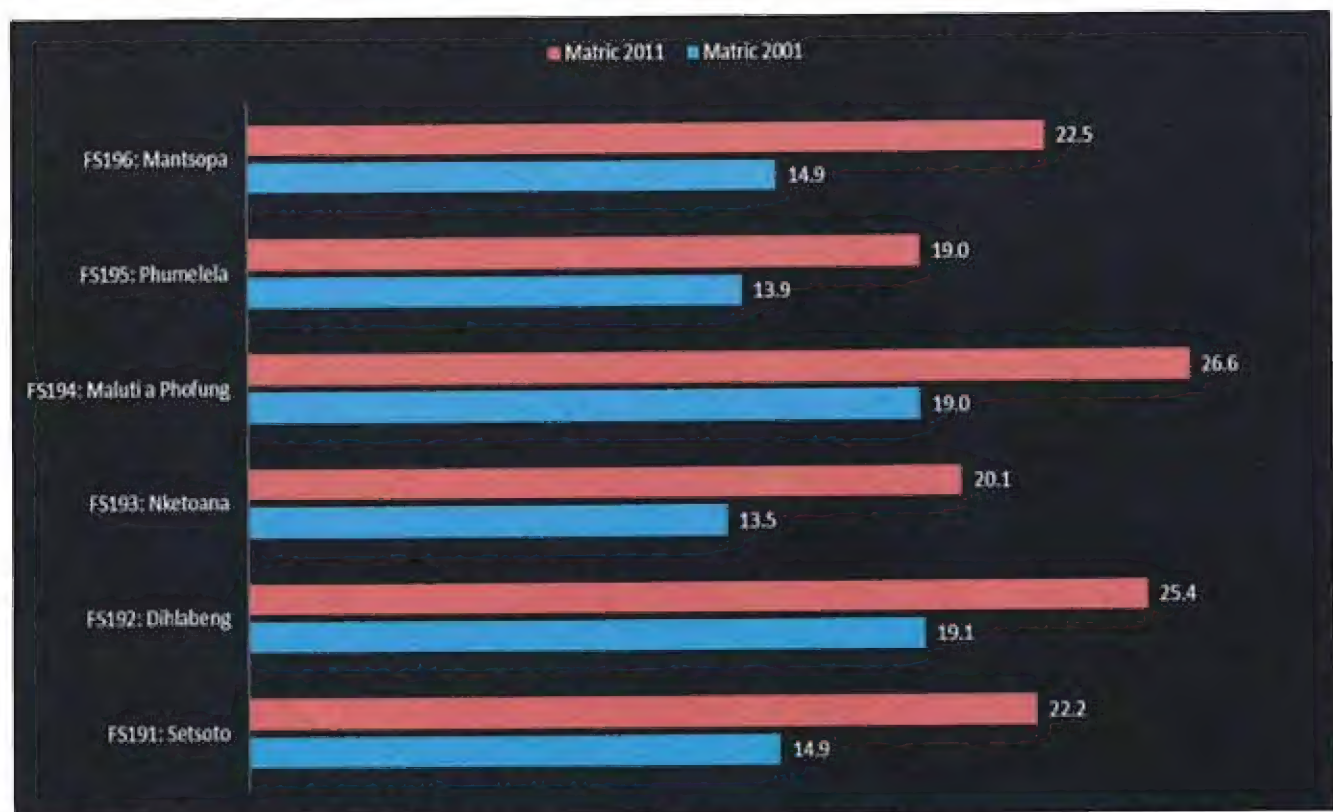
DC 19: Thabo Mofutsanyana Municipalities

Formal Dwellings % 2011 Formal Dwellings % 2001



DC19: Thabo Mofutsanyana (Education)







CHAPTER 2

Governance

Introduction

All spheres of government must provide effective , transparent , accountable and coherent governance for the Republic to secure the well-being of its people and the progressive realization of their rights to a healthy environment , water , food , housing , sanitation , refuse collection , health care services , education and social security.

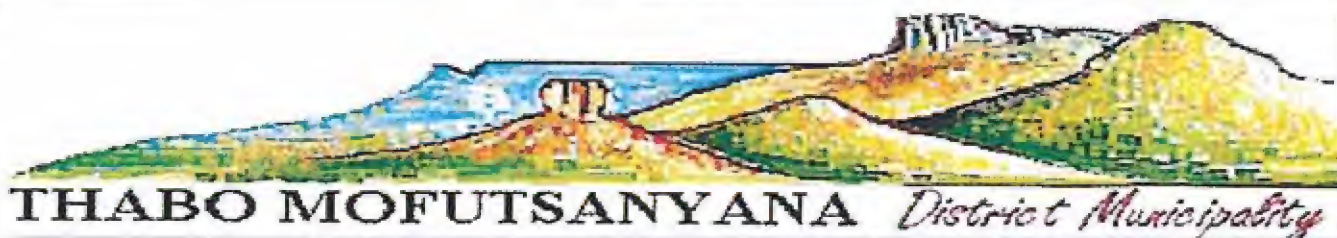
Evaluating the ongoing effectiveness of public officials or public bodies ensures that they perform to their full potential , providing value for money in the provision of public services, instilling confidence in the government and being responsive to the community they are meant to be serving.

Component A: Governance Structures

Political Governance Structure

Introduction of the Political Governance

The Thabo Mofutsanyana has an Executive Mayoral system which allows for the exercise of executive authority through an Executive Mayor in whom the executive leadership of the Municipality is vested and whom is assisted by the Mayoral committee. There is an Audit Committee that provides opinions and recommendation on financial processes and performance and submits a report for inclusion in the Annual report. The Thabo Mofutsanyana district has established a Municipal Public accounts Committee , comprised of non-executive councilors. One of the tasks of the MPAC is to provide Council with comments and recommendations on the Annual Report. The MPAC report will be published in accordance with MFMA guidance.



ELECTED TO SERVE AND LEAD THE PEOPLE OF TM DISTRICT MUNICIPALITY



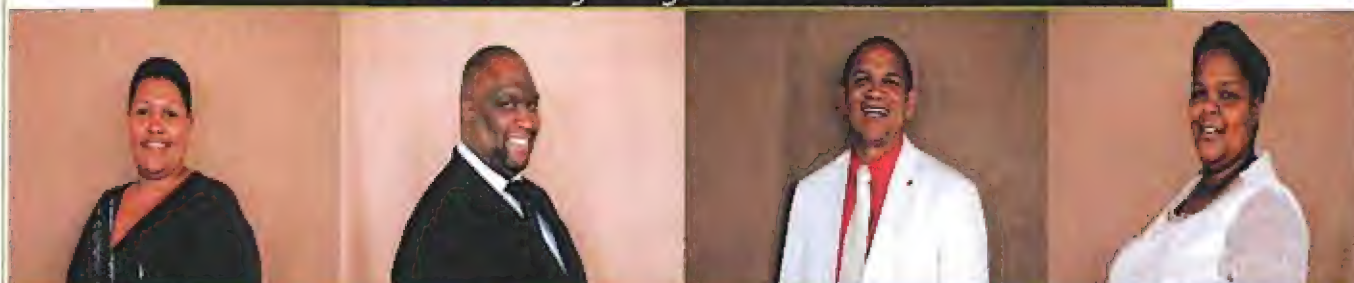
Executive Mayor
Me Malefu Vilakazi

Speaker
Cllr Mbothoma Maduna

Council Whip
Cllr Seipati Mbiwe

MPAC Chairperson, Cllr
Moringwe Moses Tswala

Members of Mayoral Committee



Cllr Sylvia Visagie

Finance

Cllr Azael Nhlapo

Corporate Services

Cllr George Bengell

*Agriculture & Rural
Development*

Cllr Jane Radebe

Community Services



Cllr Tumelo Thebe

*IDP & PMS, SPLUMA and
Batho Pele*

Cllr Thoko Tshabalala

*Local Economic Develop-
ment, SMME Development
& Tourism*

Cllr Kaludi Tsoene

*Infrastructure &
Transport*

Cllr Ntsofeng Mofokeng

*Disaster & Municipal
Health Services*

POLITICAL DECISION – MAKING

All decisions are made by the Council, the Executive Mayor in consultation with the Mayoral Committee, or senior officials in terms of authority delegated by legislation of authority. Council has delegated a lot of authority to the Executive Mayor. The Mayoral committee also makes recommendations to Council on matters which have not been delegated to it.

As the executive authority of the council, the Executive Mayor provides political guidance over the policy, Budget and financial affairs of the Municipality. The Speaker is in charge of the legislative arm of the municipal Council. This means that the speaker guards the integrity of the legislative process and plays an important role in the oversight that the council must exercise over the actions of the executive. The speaker is also responsible to ensure that the Municipality fulfils its public participation responsibilities. All decisions made by council are implemented.

ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Accounting Officer of the Municipality as depicted in the Municipal Finance Management Act and provides guidance and ensures compliance with all other legislation applicable to local government, to political structures, political office bearers, officials of the Municipality and any entity under the sole or shared control of the Municipality.

There are various departments within the institution. The department are more or less aligned in terms of the development priorities of the municipality. There are also some functions entrusted to the office of the Municipal Manager.

Office of the Municipal Manager is the driving force behind the Thabo Mofutsanyana district municipality's administration and integrates the different components of the Municipality into its strategic and Operational plans.



TMDM MANAGEMENT

Administrative Governance Structure



Me. T.P.M. Lebenya
Municipal Manager



Me. N.L. Gqoli
Chief Financial Officer



Mr. S.K. Khote
Director
Corporate Services



Mr. M.B. Mphahlele
Manager Transport & Infrastructure



Mr. M.S. Thamaha
Supply Chain Manager



Me. T.A. Mlatha
Manager
LED & Tourism



Mr. P.G. Swart
Manager Environmental Health Services



Mr. T.L. Khubeka
Security Manager



Mr. J.W. Nhlapo
Internal Audit Manager



Mr. L.W. Moshwaliba
Agriculture & Rural Development Manager



Me. M.M.P. Phoofole
Chief Risk Officer



Mr. M.J. Mokoena
Manager Fire & Disaster



Mr. M.D. Mhlahlo
Budget Manager



Mr. M.T. Mokoena
Communications Manager



Me. M.E. Ngobese
Acting Manager Human Resources



Me. T.S. Vanqa
Manager IDP & PMS



Mr. B.J. Mdakane
Information Technology Manager



Mr. M.G.B. Ngwenya
Social Development Manager



The Municipal Manager is responsible for these departments namely: Finance and corporate service, infrastructure Services and Planning Community services, ICT, Agriculture development and Economic Development. The Municipal Manager of the Thabo Mofutsanyana has direct responsibility for the following areas:

- Capacity building
- Intergovernmental relations: and Performance management

COMPONENT B: INTERGOVERNMENTAL RELATIONS

Note: MSA Section 3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in section 41 of the constitution.

Thabo Mofutsanyana recognizes the importance of intergovernmental relations to improve service delivery to communities. Success in delivering government services to the nation requires an approach in which the three spheres of government work in partnership in terms of the principles of co-operative government and intergovernmental relations.

DISTRICT INTERGOVERNMENTAL STRUCTURES

In order to comply with legislative requirements and fulfill its obligations, In terms of co-operative governance and intergovernmental relations the Thabo Mofutsanyana district Municipality has established a number of internal structures and systems , including

An intergovernmental Forum which complies in all respects with the requirements of the intergovernmental Relations Framework Act. 2005 (Act 13 of 2005).

- The Thabo Mofutsanyana District Mayor's forum

A number of technical support structures in terms of the aforementioned Act , for example.

- ✚ Municipal Managers' forum
- ✚ District communicators forum
- ✚ District wide water Forum
- ✚ District IDP Managers Forum

- ✦ District Batho Pele Coordinators Forum
- ✦ District LED Managers Forum

We also envisage to entrench other forums or structures such as:

- ✦ District CFO's Forum
- ✦ District Human Resource Managers Forum
- ✦ District PMS Managers Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION•

The function of Public Participation resides mainly in the office of the speaker. However, these exercises are sometimes carried out by the by departments or cross departmental task teams, depending on the nature of the information to be disseminated. One example is the exercise to obtain public input on the Annual Reports.

In addition to public meetings, The Thabo Mofutsanyana district has a communications division which supplies its communities with information concerning all matters relating to the district Municipality

OFFICE OF THE SPEAKER

REPORT OF GOOD PRACTICES

INTERNSHIP PROGRAMME

BACKGROUND

Thabo Mofutsanyana has got high unemployment rate, and this was a course for concern to the district. Following that plight the municipality went out to forge seamless ties with other institution which are having funds for learnership programmes. This endeavour became a success and created opportunities for multitude of graduates and those learners requiring an Inservice training to complete their respective diplomas or degrees.

PUBLIC MEETINGS

IDP PARTICIPATION AND ALIGNMENT

COMPONENT D: CORPORATE GOVERNANCE

RISK MANAGEMENT

The role of the Risk Management department is to provide the Municipality with comprehensive support for institutionalizing ERM, coaching management on principles and practices of ERM, coordinating efforts in determining the municipality's risk exposures and in the development of action plans by management for addressing such exposures.

During the financial year 2018/2019, the Municipality had a functional Risk Management Unit operation with two personnel (Risk Officer) and the Risk Manager. It has a well as a functional Risk Management Committee though it only held 3 meetings during the year. The municipality maintains the following approved policy documents:

- Risk Management Committee Charter;
- Risk Management Policy;
- Risk Management Strategy;
- Risk Management Implementation Plan;
- Fraud Risk Management Plan
- Whistle Blowing Policy

The Top Strategic Risks identified:

- Water crisis (Lack of basic services and access to water)
- Growing income disparity
- Insufficient supply of electricity and energy price shock
- Inadequate and/or sub-standard education and skills development
- Structurally high unemployment/ underemployment rate
- Breakdown of critical infrastructure & networks (Huge workload is hampering comprehensive service delivery)

- Inadequate succession planning
- Natural disasters which includes fire and flooding
- Skills shortage including the ability to attract and retain top talent
- Contingent liabilities e.g. cost of litigation, contractual obligations
- Ageing of fleet
- Cyber-attacks and cyber-attack non-disclosures
- Fraud and corruption
- Government policy, legislative and regulatory changes
- Profound political instability in local municipalities
- Lack of consequence management for those who transgressed the regulations
- Failure to pay creditors as per legislative requirements (capital availability/ Credit risk)

2.7 ANTI-CORRUPTION AND FRAUD

The Risk Management Committee plays an oversight role over the function of fraud and corruption prevention in the Municipality; and reports its findings on fraud risks to the Audit Committee. The Municipality has an approved Fraud Risk Management Plan in place, and they are multidisciplinary and cross-functional. The Fraud Risk Management Plan is made up of the Whistle Blowing Policy.

The Municipality had three cases of fraud reported in the current financial year. Two of the four cases reported have not been resolved and the one is partially resolved as the Disciplinary Board has to investigate the matter further.

ANTI-CORRUPTION AND FRAUD

SUPPLY CHAIN MANAGEMENT

BY-LAWS

WEBSITES

PUBLIC SATISFACTION ON MUNICIPAL SERVICES

ALL MUNICIPAL OVERSIGHT COMMITTEES

CHAPTER 3

Service Delivery Performance

COMPONENT A: BASIC SERVICES

Services in The Thabo Mofutsanyana district are primarily rendered by the local Municipalities. These include water, sanitation, electricity, energy efficiency & road management system.

COMPONENT B: ROAD AND TRANSPORT

This department includes the following key performances areas and key performance indicators:

- Energy Efficiency Demand Side Management (EEDSM)
- Rural Road Asset Management System (RRAMS)
- Integrated Public Transport Network (ITPN)
- Expanded Public Work Programme (EPWP)
- Establishment of District Water Sector & Energy Forums

Description of the departmental activities

The strategic objectives of the department are to:

- To ensure that adequate water is available in order that all rural and urban communities have access to potable water, which is provided on at least RDP standard at affordable rates
- To ensure energy efficiency and energy saving mechanisms to public infrastructure and buildings within the District Municipality
- To provide an acceptable and affordable sanitation system for the entire region (VIP or waterborne)

- To ensure the overall planning and provision of streets and storm water systems for all municipalities in phases over the next 5 years.
- To provide bulk electricity and distribution networks for the entire region.
- To ensure that a properly coordinated public transport exist in the district.

Energy Efficiency Demand Side Management (EEDSM)

The energy efficiency demand side management grant is a government programme that was established in 2009/10 as part of the South African National Government's efforts to reduce energy consumption. The grant's purpose was to support municipalities in the country in implementing energy efficiency measures in the infrastructure sector e.g. energy efficient, traffic lights, street lights, high mast lights and building lights as well as energy efficiency in water & sewerage infrastructure. The EEDSM programme is fully financed by the National Treasury through DoRA and managed by the Department of Energy (DoE) with the strategic support and administrative management by Deutsche Fur International Zusammenarbeit (GIZ) GnbH. The energy efficiency demand side management comprises of a number of projects whose main objective is to reduce energy consumption for the municipalities and ultimately reduce electricity bills significantly.

TMDM District municipality is characterized by lack of measure and verification of electricity consumption and municipal officials are generally unaware of the impact of lighting on energy costs. The overall purpose of the energy assessment was to:

- Assist the local municipalities to quantify their significant energy users within their processes.
- Identify potential opportunities for the reduction and more efficient use of energy within the plant.
- Assist in setting energy targets
- Assist in identifying opportunities to contribute to the overall national energy efficiency target.

The focus was on the implementation process of the EEDSM program within the Thabo Mofutsanyana District Municipality. The pre-installation data shall be compared to the post-installation data.

Energy Efficiency Project Implementation

Initially, TMDM's overall energy improvement objectives were clearly defined. TMDM has defined realistic, attainable and timely objectives within its infrastructure. Ultimately, the TMDM energy policy must be formulated in-line with ISO/DIS 50001:2017. An organization's policy is a statement that would define its intentions and principles for a particular resource, where the ultimate goal is to leverage that specific resource whether tangible or intangible.

The current energy baseline status was then assessed and developed a current energy baseline which

aided TMDM to assess their current energy use and provides a level for comparison with future

improvements. A baseline and benchmark for energy usage by facilities and equipment was then established. Key activities and operations that consume the most energy or are inefficient were identified. Information from the energy audit was used to identify the most energy-intensive or inefficient activities and operations in the facilities. The key projects that were identified include:

1.Retrofit 40W 4ft fluorescent tube with 18W LED tubes

Table 1: Quantities and locations of Phase I of the project

Project #	Name of Local Municipality	Quantity
1	Maluti	1254
	Dihlabeng	924
	Setsoto	1621
	Phumelela	1934
	Nketoana	754

2.Retrofit 58W 5ft fluorescent tube with 24W LED tubes

Table 2: Quantities and locations of project 2

Project #	Name of Local Municipality	Quantity
2	Dihlabeng	407
	Setsoto	193
	Phumelela	313

3.Retrofit 85W 8ft fluorescent tube with 36W LED lights

Table 3: Quantities and Locations of Project 3

Project #	Name of Local Municipality	Quantity
3	Maluti	12
	Dihlabeng	65
	Setsoto	72
	Phumelela	186
	Nketoana	7

4.Retrofit 125W MV corn-light with 50W LED lights

Table 4: Quantities and Locations of Project 4

Project #	Name of Local Municipality	Quantity
4	Maluti	31
	Setsoto	13
	Phumelela	41
	Nketoana	45

5.Retrofit 400W HPS floodlights with 200W LED Lights

Table 5: Quantities and Locations of Project 5

Project #	Name of Local Municipality	Quantity
5	Maluti	9
	Dihlabeng	2
	Nketoana	4

6.Retrofit 40W 2ft fluorescent with 9W LED Lights

Table 6: Quantities and Locations of Project 6

Project #	Name of Local Municipality	Quantity
6	Maluti	194
	Dihlabeng	8
	Setsoto	2
	Phumelela	2
	Nketoana	66

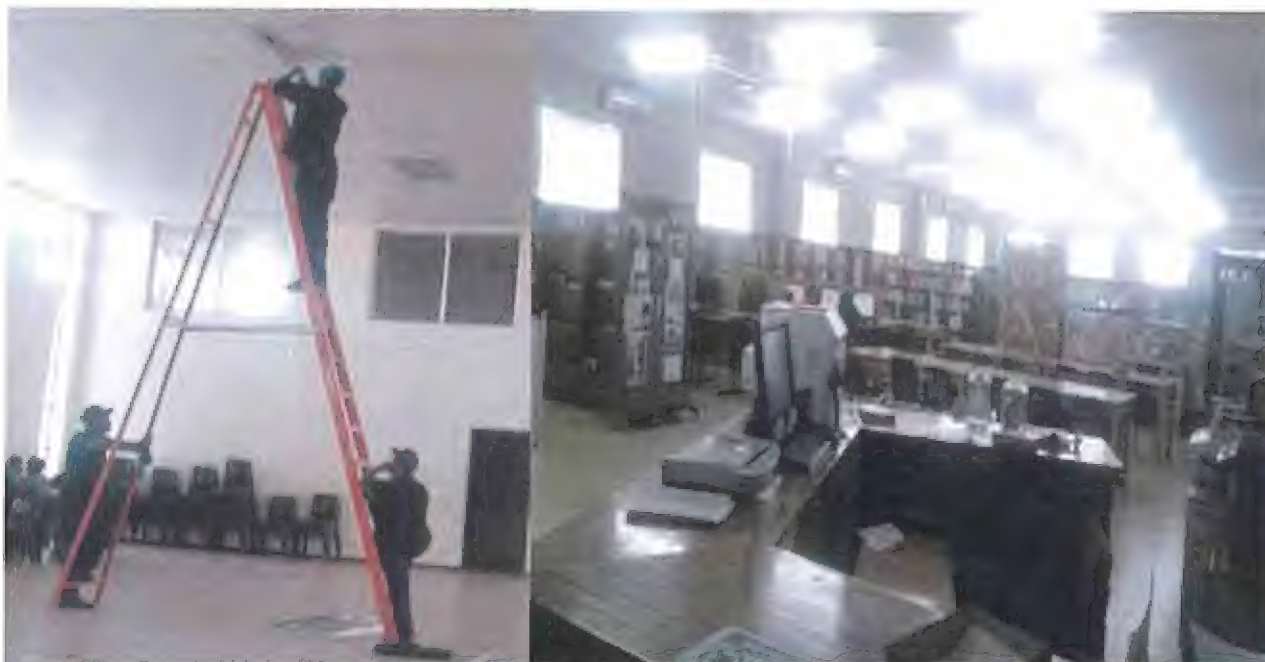
7.Installation of office motion sensors on LED lights

Table 7: Quantities and Locations of Project 7 and 8

Project #	Name of Local Municipality	Quantity
7 and 8	TMDM (4ft)	2066
	TMDM (5ft)	360
	Setsoto	193
	Nketoana	101
	Phumelela	246

Energy Efficiency Awareness

- Banners are displayed at the main entrances of the District municipality and Local Municipalities' offices.
- Flier distribution, T-shirts were distributed with energy awareness saving message to officials as energy efficiency ambassadors.



Energy priorities for improvement were finally established. Based on results of energy assessments and audits, potential energy improvement projects and activities were identified, evaluated and prioritized. The table below shows a summary of budget, expenditure baseline and number of jobs created for each of the projects executed in TMDM due to implementation of EEDSM.

Table 8: Financial Summary

Project No.	Project name	No. of retrofits	No. of jobs created	Allocated Budget (Zar)	Expenditure to-date (Zar)
<i>no</i>	<i>Description</i>	<i>number</i>	<i>number</i>	<i>Amount</i>	<i>Amount</i>
1	Retrofit 40W 4ft fluorescent tube with 18W LED tube	6 487	1	2 594 800	2 594 800
2	Retrofit 58W 5ft fluorescent tube with 24W LED tube	913	1	456 500	456 500

3	Retrofit 85W 8ft fluorescent tube with 36W LED light	342	1	205 200	205 200
4	Retrofit 125W MV cornlight with 50W LED light	130	1	286 000	286 000
5	Retrofit 400W HPS floodlights with 200W LED Light	15	1	74 900	74 900
6	Retrofit 40W 2ft fluorescent with 9W LED Light	272	1	81 600	81 600
7	Installation of office motion sensors (On 2017/18 LED Tubes)	1 218	1	1 218 000	1 218 000
8	Installation of office motion sensors (On 2018/19 LED Tubes)	1 103	1	1 103 000	1 103 000

Summary of Energy Audit and Baseline Determination

Lux meters were used to measure baseline luminosity of the existing lighting, which was then compared with office area luminosity after retrofit. Table 6 shows a summary of energy consumption baseline, energy savings and payback period for each of the projects that were executed in TMDM.

Table 9: Energy Savings Summary

Project No.	Number of units retrofitted	Previous wattage (per unit)	New wattage (per unit)	Average use in hours per year	Energy consumption baseline (kWh/year)	kWh savings per year	Payback period in years
1	6 487	40	18	4380	1136522	625 087	2,5

2	913	58	24	4380	231939	135 964	2,0
3	342	85	36	4380	127327	73 400	1,7
4	130	125	50	4380	71175	42 705	4,1
5	15	400	200	4380	1566963	13 140	3,5
6	272	40	9	4380	47654	36 932	1,3
7	1 218	43	9	4380	229398	181 385	4,1
8	1 103	43	9	4380	207739	164 259	4,1

Energy Efficiency Measures and Facilities

The key Energy Efficient solutions that were implemented include the following:

- Retrofitting of the TMDM buildings office lights with LEDs. This reduces the wattage of lamps while giving the same or better illuminance.
- Retrofitting of floodlights with LEDs. This reduces the wattage of lamps while giving the same or better illuminance.
- Installation of office motion sensors.

Performance Assessment Report on the Implemented Measures

Performance assessment of the projects on lighting retrofits was based on two variables which include luminance and energy saving capability. The assessment of building lights was based on the minimum standards shown in Table 10.

Table 10: Recommended light level in different workspaces

Area	Lux	W/m ²
------	-----	------------------

General Office Space	400	17
Computer Rooms & Drafting Areas	600	26
Public Areas (Foyer & Corridors)	200 - 400	7 - 17
Stairs	50 - 100	3 - 5
Kitchen	200-300	10 - 16
Toilets	100	5
Car Park	50 - 100	3 - 5
Plant Rooms	100 - 200	5 - 10
Retail	400 - 800	8 – 25

Source: SANS 10098-1 Standard

Table 12 shows a summary of performance assessment results and before-and-after energy consumption scenarios. The results show that the projects that were implemented satisfactorily met the intended objectives and significant energy savings were derived.

Table 11: Summary of Performance assessment results and energy consumption scenarios

Project No.	Description	Adequacy of the installed controls and control settings (Satisfactory/ Unsatisfactory)	Energy consumption baseline (kWh/year)	kWh savings per year
1	Retrofit 40W 4ft fluorescent tube with 18W LED tube	Satisfactory	1136522	625 087
2	Retrofit 58W 5ft fluorescent tube with 24W LED tube	Satisfactory	231939	135 964
3	Retrofit 85W 8ft fluorescent tube with 36W LED light	Satisfactory	127327	73 400

4	Retrofit 125W MV cornlight with 50W LED light	Satisfactory	71175	42 705
5	Retrofit 400W HPS floodlights with 200W LED Light	Satisfactory	1566963	13 140
6	Retrofit 40W 2ft fluorescent with 9W LED Light	Satisfactory	47654	36 932
7	Installation of office motion sensors (On 2017/18 LED Tubes)	Satisfactory	229398	181 385
8	Installation of office motion sensors (On 2018/19 LED Tubes)	Satisfactory	207739	164 259
Sum			3 618 717	2 136 888

Energy Efficiency Awareness (1%) of total Budget

TMD municipality embarked on Energy Efficiency Awareness to ensure that wasteful behavior towards utilization of energy is eliminated; fliers, banners and branded t-shirts were distributed to municipal officials. Banners and fliers had energy saving tips on printed on it. Libraries and main buildings were targeted municipal infrastructure.

Capacity Building and Training (1%) of Budget

TMD Municipality Officials attended an in-house course in Energy Efficiency which was facilitated by SGS Academy. The purpose of the course is to equip the delegates with an understanding of the learning objectives relating to ISO 50001:2018, the new ISO standard for Energy Management Systems (EnMS). In addition, the course addresses the structure of a EnMS based upon the process approach set out in the ISO Standards. For ease of reference direct quotes from ISO 50001:2018 was discussed. The attendance certificates will be submitted to the Department once they are available from the facilitators.

Challenges

Key information on overall consumption of each site was not available on-site. Eskom bills were difficult to

access and also less useful in baseline determination.

The suppliers delayed delivering the procured retrofit products and this posed a challenge with regards to meeting our targeted project timelines.

Remedial Measures

The municipality should have a team whose main thrust is energy management and the team should use energy measurement tools to track energy use and costs, as a life-long instrument. The starting point would be to employ an intern for a period of 1 year to be dedicated on Energy Efficiency throughout the district. This will be done in 2019/20 FY. In order to curb supplier delays, the remedial measure was inclusion of a penalty clause in supplier contract also the district is kindly requesting the DoE to shorten the turnaround time to approve the business plans so that procurement process of material takes place very early.

Rural Road Asset Management System (RRAMS)

The National Department of Transport (NDoT) has identified forty four(44) rural district municipalities in the country as beneficiaries of their rural transport services and infrastructure grant in order to assist and support the management of rural roads through the development of Rural Road Assets Management System(RRAMS).National Treasury has made allocations to the identified district municipalities for the MTERF period ending 2018/19.Municipalities are expected to make budget provisions to sustain this project

- Updating RRAMS information every three years
- Ensuring human capacity development for the operation of the RRAMS

Thabo Mofutsanyana DM has successfully worked on the aspect of the RRAMS for their third financial year which is 2018/19.This includes the visual condition assessment of the unpaved roads cycle 1 on all local municipalities.

The project was approved and endorsed by Council sitting of the 20 February 2014 for the implementation in six Local Municipalities for 2014/15 financial year and outer years. The Municipal Finance Management Act(MFMA) requires that municipalities must have a management information system to effectively manage and control their assets, have a complete Asset Register, and value their assets and prepare financial statements in accordance with standards of Generally Accounting Practice(GRAP).In support of this requirement the National Department of Transport has secured the Rural Road Asset Management System(RRAMS) grant in order to ensure efficient and effective investment in rural roads through

development of Road Asset Management. The budget allocation for 2018/19 financial year from NDoT was R 2 405 000.00 and the entire budget was spent.

Through the development of rural road asset management system all the Local Municipalities will be able to fulfill its constitutional mandate. In terms of section 6(1) of the National Land Transport Act (NLTA), 2000 (Act no. 22 of 2000). This is followed by the overview of the condition of the South African road network and a discussion of optimum road network condition and service delivery. Road asset management is essentially a road network maintenance planning tool which offers a prospect of significantly improving road networks

Integration of the road network

It was pivotal importance to develop road asset management such as a GRMS (Gravel Road Management System). The integrated road network should contain the existing as well as the planned future developments to the network.

Key strategic benefits behind establishing an integrated road network are as follows:

- To obtain best use of the existing network through effective design, maintenance and management
- To minimize any adverse effect of the transport system on the built and natural environment
- To ensure that the transport system contributes towards improving the industry and sustainable economic development

Methodology

The methodology which was adopted towards the implementation of an integrated road network included the following activities:

- Determine a road inventory and create road referencing system
- Identify and define the road hierarchy
- Identify and define the road network (including the mapping of the road network in the areas.

Identify and define the road network

After gathering inputs related to future townships, nodal and road developments, a complete and integrated road network to existing and planned land use was defined. Further mapping of additional townships and villages that did not exist in the acquired datasets was done. The complete and final representation of the road network stored on a GIS platform as shape files. The GIS would as a minimum have the following data layers

- The unpaved road networks
- The road condition indicators
- The road inventories

➤ The budget and programmes datasets

Analysis

The total unpaved road network within Phumelela Local Municipality is estimated to 231.1km, these are municipal roads only. Class 6 roads constitutes 67.1km (29.0%) of the total unpaved road network. Furthermore, it should be noted that the total earth road network for Phumelela LM is estimated to 146.6km constituting about 80% of the entire unpaved road network within Phumelela LM.

The total unpaved road network within Setsoto LM is estimated to 392.62km, these are municipal roads only. Class 6 constitutes 93.02km (23.7%) of the total unpaved road network. The total length of earth roads is more that gravel roads by 16%. These certainly are a large proportion of earth in the townships/settlements of Setsoto LM. It should be noted that the total unpaved road network for the is estimated to 176.3km earth constituting about 58% of the entire unpaved road network within the municipality.

The total unpaved road network within Nketoana LM is estimated to 138.2km, this inclusive of the municipal roads, Class 6 roads constitute 4,4km (3%) of the total unpaved road network. The total length of earth roads far outweighs that of gravel roads, there certainly are a large proportion of earth in the townships/settlements of Nketoana. It should be noted that the total earth road network for the municipality is estimated to 131.5km constituting about 96% of the entire unpaved road network within Nketoana LM.

The total unpaved road network within Dihlabeng LM is estimated to 334.7km, this inclusive of the Provincial, private and municipal roads. Class 6 roads constitutes 112.2km of the total unpaved road network. The total length of earth roads outweighs that of gravel roads by a factor of 1.5. There certainly more or less the same amount of gravel and earth roads in the townships/settlements of Dihlabeng. It should be noted that the total earth road network for the municipality is estimated to 123.2km constituting about 55% of the entire unpaved network within Dihlabeng LM.

The total unpaved road network within Mantsopa LM is estimated to 212.1km, this inclusive of the Provincial, private and municipal roads. Class 6 roads constitutes 30.5km (16.8%) of the total unpaved road network. The total length of earth roads far outweighs that of gravel roads by a percentage of 75%. There is certainly a large proportion of earth roads in the townships/settlements of Mantsopa LM. It should be noted that the total earth road network for Mantsopa LM is estimated to 158.96km constituting about 80% of the entire unpaved road network within Mantsopa LM

TMDM ROAD NETWORK PAVED

TMDM ROAD NETWORK (km)			
Local Municipalities	Paved Roads		Total Assessed Distance for
	Estimated Distance	Verified Distance	
Mantsopa LM	107.33	82.87	82.87
Phumelela LM	101.20	93.70	93.70
Setsoto LM	194.30	173.11	173.11
Nketoana	137.80	128.32	128.32
MAP LM	202.08	308.46	308.40
Dihlabeng LM	325.18	248.58	248.58
Total	1067.89	1035	1035

PAVED ROAD NETWORK CLASSIFICATION

Paved Road Network Classification(km)				
	Class 3	Class 4	Class 5	Total
Phumelela LM	7.02	36.30	50.38	93.70
Setsoto LM	15.87	80.78	76.45	173.10
Mantsopa LM	5.23	38.25	39.39	82.87
Dihlabeng LM	30.09	113.62	104.87	248.58
Nketoana LM	6.03	53.40	68.89	128.32
MAP LM	18.85	141.80	147.80	308.45
Total	83.09	464.15	487.78	1035

Flexible Paved Road Network classification

Flexible Paved Roads Network Classification(km)				
	Class 3	Class 4	Class 5	Total
Phumelela LM	7.02	25.47	21.05	53.54
Setsoto LM	15.87	67.96	54.81	138.15

Mantsopa LM	5.23	23.06	24.55	52.84
Dihlabeng LM	27.46	94.34	68	189.80
Nketoana LM	6.03	39.02	30.49	86.72
MAP LM	14.96	79.80	71.30	166.06
Total	76.57	329.65	270.20	687.11

Interlocking Paved Road Network Classification

Block Paved Roads Network Classification(km)				
	Class 3	Class 4	Class 5	Total
Phumelela LM	0	10.83	29.33	40.16
Setsoto LM	0	12.82	21.64	34.46
Mantsopa LM	0	15.19	14.84	30.03
Dihlabeng LM	2.63	19.28	36.87	58.78
Nketoana LM	0	14.38	38.40	52.78
MAP LM	3.89	62	76.50	142.39
Total	6.52	134.50	217.58	358.60

The RRAMS programme has employed 04 civil engineering graduates

No of Graduates	S4	N Dpm	Males (Youth)	Female (Youth)
04	02	02	04	0

The graduates trained on the following programme

- Road to Registration
- QGIS
- Bridge & Culvert Inspection
- Fulcrum
- Bridge & culvert Assessment Course

The local municipalities paved, and gravel roads represented below and the approximate lengths are as follows:

Bridges and Culverts

The additional road structures relating to the bridges and major culverts were collected and the table below reflects the preliminary results. The road furniture data was also collected and is currently being added on the Georrams platform

Number of Structures			
Local Municipality	Structure Type		Totals
	Bridges	Culverts	
Dihlabeng	10	11	21
Mantsopa	5	7	12
Maluti-A-Phofung	43	53	96
Nketoana	4	8	12
Phumelela	4	5	09
Setsoto	7	12	19
Total	92	135	227

GeoRRAMS System

The GeoRRAMS software application with a centralized database hosted on the cloud with a Geographic Information System (GIS) module and a reporting module which enable users to manipulate with ease the data and generate instant reports by a click of a mouse, was developed through the RRAMS programme. The main objective of the RRAMS software for Thabo Mofutsanyana DM has developed a Web -based Application System(www.tmdm.georrams.co.za) which will handle the RRAMS data from one centralized database and enable user easy manipulation of data and reporting from GIS and report modules by all local municipalities and the grant allocation was fully spent (R 2 405 000.00).

Willows Street- Tweespruit



Beefwood Street-Tweespruit



S28.24131 E2833517	S28.38841 E28.52147
	
S28.23409 E28.31882	S28.23409 E28.31882
	
S28.23331 E28.31592 (CHURCH STREET)	S28.23474 E28.30689 (CHURCH STREET)
	
S28.23196 E28.31412 (MILLER STREET)	S28.23196 E28.31412 (MILLER STREET)

	
S28.23200 E28.31482 (MILLER STREET)	S28.23178 E28.31754 (MILLER STREET)

Integrated Public Transport Network Development

Thabo Mofutsanyana Integrated Public Transport network is a joint initiative by National Department of Transport, Free State Department of Transport, Thabo Mofutsanyana District Municipality and Local Municipalities with the purpose to implement National Strategies public transport improvements in the Districts

The background to the project was the access to socio economic opportunities and basic services which are essential for the upliftment of communities and economic growth in South Africa. Communities in rural areas are primarily dependent on public transport for this access. Poor transport infrastructure and public transport services which are not integrated or are inadequate in many areas lead to high costs of travel, limited services and public transport industry that may be unsustainable in its current format in the long term.

IPTNs are aimed at providing integrated, sustainable and cost-effective public transport by integrating all public transport services and facilities. The Integrated Public Transport Network (IPTN) document was submitted to Council in 31 July 2019 resolved that further relevant stakeholder engagements must proceed within the six months period

Expanded Public Works Programme

The EPWP is South African Government initiated programme aimed at creating 6 million work opportunities by 2019. The Programme is implemented by all spheres of government, across four defined sectors: namely the Infrastructure, Social, Non-State and Environment and Culture sectors. The programme is coordinated by the National Department of Public Works as mandated by Cabinet.

The purpose of this policy document to provide a framework within which the municipality and its departments will implement the Expanded Public Works Programme (EPWP). This policy document was aimed to provide an enabling environment for the municipality to increase the implementation of EPWP, through this policy the municipality has aimed to ensure that EPWP guidelines and principles are adhered to in the implementation

of any municipal project and to inform all Departments and Units within municipality on how their functions should contribute towards achieving the EPWP objectives. The objective of the EPWP is to provide work opportunities and income support to poor and unemployed people through labour intensive delivery of public and community assets and services. The EPWP policy was endorsed and approved by Council sitting of the 30 May 2016 in line with the protocol agreement signed by the Minister of Public Works, the Premier of Free State, MEC of Public Works & Infrastructure and the Executive Mayor of TMDM for EPWP phase 3(2014/2015-2018/2019).The alignment with the IDP was emphasised to ensure the EPWP is mainstreamed within the institution The Executive Mayor has provided political leadership and direction in the implementation of the EPWP within the District by appointing MMC of infrastructure and Transport as political champion, Subsequent to that municipal manager as administrative leader has appointed Manager Infrastructure and Transport as administrative champion. The appointed members have to ensure that EPWP is entrenched within the District IDP and key policies and programmes of the municipality. The EPWP phase 3 performance by the District Municipality from 2014-2019 is shown below:

The EPWP phase 3 ended on the 31 March 2019 and the phase 4 of EPWP started on the 01 April 2019 and the performance of the District municipality for the last five years of EPWP phase 3 is shown on the table below:

Financial Years	Target	Actual Performance	Achieved/Not achieved	Remarks
2014/15	124	360	Overachieved by 263	Counter-funding by DM
2015/16	153	316	Overachieved by 163	Counter-funding by DM
2016/17	211	177	Underperformed by 34	Financial constraints
2017/18	273	92	Underperformed 181	Financial constraints

2018/19	341	340	Underperformed 1	Financial constraints
Overall 5-year target:1102		Actual Performance for 5 years:1285		

The EPWP Expenditure for 2018/19 financial year

The EPWP incentive grant from National Department of Public Works was R 1 180 000.00.

Employment generated through the EPWP incentive grant programme and registered and reported the SETA graduate programme on the EPWP reporting system under social sector with sub programme as youth development and EPWP demographics are as follows:

EPWP Performance and Achievements (2018/19)

Sector Name	Programme Name	Work Opportunity(W/O)	Full Time Equivalent (FTE)	Sub Programme
Environment & Culture sector	Waste Management	97	52	Urban renewal- cleaning of public open spaces
Environment & culture	Waste management	52	14	Working on waste
Municipal infrastructure	Roads & stormwater	59	14	Roads & Stormwater
Social sector	Expansion(new) programme	73	70	Youth development
Social	Expansion(new) Programme	59	56	Youth development

The District Forums or Committees

The District Municipality has established the water sector and energy committees in order to coordinate those forums and consolidate the information.

The Water Sector Committee

The water sector committee was established with the intention to provide a platform for the water sector dialogue involving all water sector partners. To provide water sector collaboration and effective management of water institutions and the water business. To ensure that the water sector stakeholders play their role in the business in an informed and organized manner. To ensure integrated planning and the development of the water sector. The District Municipality has managed to organize four meetings in the calendar year to discuss all water related issues and within the water business.

The District Energy Forum.

The district energy committee was established with the intention to provide an enabling platform for the energy efficiency and alternative source of energy. The platform was provided for the energy sector dialogue involving all the energy sector partners. The District Municipality has managed to hold four meetings in the calendar year.

COMPONENT C: LOCAL ECONOMIC DEVELOPMENT

TMD TEXTILE AND FASHION-DESIGN EXPO

- ❖ Hosted Thabo Mofutsanyana Textile and Fashion Design Expo

OBJECTIVES

- ❖ The event aims to expose the emerging and established youth entrepreneurs to the local market.
- ❖ To give youth owned enterprises an opportunity to expose their products and talent at the event.
- ❖ To create an environment that is supportive and developmental in nature.
- ❖ Source new suppliers, products, information and services.
- ❖ To benchmark their products against each other products and services under one roof.

OUTCOME

- ❖ To generate sales and establish long term relations with potential clients.
- ❖ To showcase the work of youths within the district
- ❖ Create an environment that will increase competitiveness
- ❖ Open doors to emerging exporters for future contacts focused.

- ❖ To expose them to the business sector/environment so that they learn the current trends and technologies.
- ❖ Establish an incubation program for fashion designers within the district.

LONGTERM

Three cooperatives have been registered; they will enter into an incubation program for 6 months. The department is in negotiations with the management of Maluti Mall, in order to offer a space (store) at a subsidised rental rate where manufactured goods will be sold.

1.1. INTERNSHIP PROGRAM

- The District Municipality in its endeavours to close skills gaps, applied for Skills Development Initiatives from Services Sector Education and Training Authority in 2016/2017 financial year. Our application was duly approved.
- Recruitment process took place and enrolment of learners was duly finalised by all parties involved, district, local municipalities and Services SETA on the 24-25 October 2017
- An induction process was held, outlining responsibilities of Lead employer (Thabo Mofutsanyana District), host employer (where interns are placed) and responsibilities of the intern.

PROGRAM	APPROVED BUDGET	REVISED BUDGET	NUMBER OF INTERNS
GRADUATES	R2 500	R4 000	75
NATED INTERNS (N6)	R1 500	R3 000	65

Some interns while in the program, got permanent employment and resigned from the program. The program will terminate on the 30th September 2019.

1.2. STAKEHOLDER/LED FORUM

The Department of Local Economic Development established a Stakeholder/LED Forum which consists of the following stakeholders:

- Thabo Mofutsanyana District Municipality, LED Department

- Local Municipalities
- SEDA Thabo Mofutsanyana Regional Office
- FDC
- Destea TMD Service Centre
- TMD Department of Sports, Arts, Culture and Recreation
- Other institutions (Banks, NYDA, etc) are invited on an adhoc basis.

The stakeholder forum sits on a quarterly basis unless otherwise.

The Forum focus on the following aspects:

- Partnership programs
- Development of SMEs
- Institutional budgets and
- Any other matter deemed necessary to be discussed by the Forum.

1.3. LAUNCH OF HAWKERS FORUM

During this financial year, the district together with Department of Economic, Small Business Development, Tourism and Environmental Affairs launched Hawkers Forum in the following municipalities:

Maluti-A-Phofung

Phumelela and Dihlabeng

2. TOURISM

2.1. CHERRY JAZZ FESTIVAL

The department supported the Cherry Jazz with an amount of R150 000, the cherry festival in one of the biggest show in the province and contributes immensely in the development of our local artist, SMMEs and our economy at large.

2.2. CHERRY JAZZ MAIN EVENT

The department ferried 36 SMEs to show case their products at the Cherry Festival

The department paid for their accommodation and transport as well.

ECONOMIC SPIN-OFFS OF CHERRY FESTIVAL IN FICKSBURG.

CATEGORY	POSITIVE INFLUENCE
Tourism	Enhance destination image and extension of tourism season
Regional Community Development	Enhanced skills for volunteers and participants, support for other regional products and services, development of partnerships and alliance.
Economic	Income generation, multiplier effect from visitor spending and employment creation.
Physical	New facilities and infrastructure regeneration of run-down areas
Socio-cultural	Social opportunities for locals, improved social networks
Psychological	Enhanced sense of community, excitement and pride.

2.3. BETHLEHEM AIRSHOW

The department of Local Economic Development and Tourism ferry Crafters to attend the Bethlehem Airshow.

OBJECTIVES

Bethlehem Airshow is the only air show in the Free State, an annual event that has been organized since 1999, it is aimed at attracting tourists in the region and increasing the tourism visibility of Dihlabeng.

The objective of the airshow revolves around the local community being active in development, promoting social cohesion, redressing historical iniquities, building capabilities by introducing aviation careers to students and broadening economic opportunities for all South Africans.

2.4. AFRICA's TRAVEL INDABA

The department attended the Africa's Travel Indaba.

The following product owners from the district were selected to attend and market their products at Africa's Travel Indaba:

- ❖ Metsi Matsho Lodge
- ❖ Basotho cultural Village
- ❖ Clarens Tourism Forum

2.4.1. HIDDEN GEMS EXHIBITORS

The below mentioned product owners were selected by the National Department of Tourism to show case at the hidden gem's stalls:

- Kamohelong Luxury Accommodation- Qwaqwa
- Leratong Tourism and Horse Riding- Qwaqwa
- Evo Track Quad Safari-Qwaqwa
- Witsieshoek Mountain Lodge-Qwaqwa

This program is funded by National Department of Tourism through its Tourism Incentive Program. It is aimed at broadening the variety of tourism products on the market while upskilling and empowering black-owned small enterprises operating in this sphere.

The main component of the project is getting the SMEs "market ready" for their participation at Africa Travel Indaba. During their training, they were shown how to enter the tourism channel by being priced right, how to negotiate contracts with the trade and how to sell their offering. The training also included elements that will assist them in running their businesses affectively after INDABA.

OBJECTIVE FOR TMDM TO ATTEND INDABA

- Tourism indaba offers an opportunity to network, meet new business potentials and solidify existing relationships.
- To put Thabo Mofutsanyana in the main stream of tourism development.
- To expose personnel, the new ideas and innovations within the tourism industry.
- Face to face meetings with industry representatives from all over the world, gives us a platform to explain the facts about travel to TMDM.
- The exposure allows us to keep up with the trends in the industry which ensures that we keep up with the requirements of our visitors' base.
- It also provides a platform for our tourism exhibitors to collaborate and to meet the world's premier travel and tourism buyers.

2.5. COLLECTION OF DATABASES FOR LODGING ESTABLISHMENTS IN THE DISTRICT

The department of Local Economic Development and Tourism embarked on a database collection for lodging establishments, the objective of this exercise was to establish the following:

- Total number of establishments



The most important purpose of this report is to provide community and stakeholders with information on how the Unit of Agriculture and Rural Development has performed and highlighting some of the achievements.

1. Farmer Support Program



Picture: planting of potatoes seed at MCV Coop

The smallholder farmers applied to the district municipality to be assisted with tools of trade and the successful ones were provided with tools of trade including the following:

- Broiler feeding troughs
- Broiler water troughs
- Broiler infrared Bulbs
- Broiler Starter Feed
- Broiler Grower Feed
- Broiler Finisher Feed

*We wish you the farmers
every success in your
noble Message*

endeavours to develop your
land and increase
agricultural production.

It has become commonplace
to say, and repeat saying,
that scarcity of resources is
the most severe constraint to
the impetus of agricultural
development. Yet this fact
pervades omnipotently in our
minds.

No matter how much we can
do by ourselves on the
district level, whether it be
research or development, it
is never enough. In a spirit of
true cooperation, we in this
region of the world., proud of
nurturing all past and present
civilizations and cultures,
must join in an action-
oriented effort to attack and
solve the problems that beset
agricultural development.

- Hammermill
- Molasses meal
- Lucern Bales
- Potatoes Seeds

2. Training of Smallholder Farmers



Picture: Training of smallholder farmers Arlington and TMDM

The district municipality is fully behind the building of skills in the field of agriculture, by so doing it reassures the intend to "pursue the enormous potential of agriculture to promote industrialization, to create employment, which will help transform our economy" by modernizing agricultural production and developing a substantial pool of skills in this area.

The municipality for developing substantial pool of skills in the agricultural sector trained farmers on the following course:

Trainings	Partners	No of Farmers	Municipality/Area
Poultry Production	TMDM	33	TMDM
Animal Handling, Animal husbandry, Socio economic development	Sernick, MPO, DAFF and TMDM	145	Arlington, Vrede, Danielsrus Farm, Phuthaditjhaba and Paul Roux
Animal Identification	TMDM	08	Arlington
Mohair Production	CCS	05	Jansenville, EC

3. Exhibitions / Show



Picture: TMDM Farmers Day

The district municipality enables the farmers to attend different shows/exhibitions to network and discuss issues with other role players in the Agricultural industry, this notion allows the farmers to experience the latest technology and products on offer first hand and offers farmers the opportunity to obtain knowledge from experts.

The shows/exhibition that the municipality assist farmers to attend are as follows:

- Nampo harvest Day
- Royal Show
- Alfa Show
- Bloemshow
- Agri 5 Commodity

4. Agri-Park



Picture: Agri-park 3D modelling

Agri-park is a networked innovation system of Agro-production, processing, logistics, marketing, training and extension services, located in a District Municipality. The Agri-park comprises of three different but interconnected basic components:

- The Farmer Production Support Unit (FPSU) – it's a unit that links farmers with markets. FPSU does primary collection, some storage, processing for local market and extension services including mechanisation.
- The Agri-Hub – a production, equipment hires, processing, packaging, logistics, innovation and training unit.
- The Rural Urban Market Centre (RUMC)- linking and contracting rural, urban and international markets based on seasonal trends. Provides market intelligence and information feedback to the AH and FPSU using latest information and communication technologies.

The progress up to so far is as follows:

- The Makholokoeng FPSU was launched on the 26 April 2019
- Seven Jobs (tractor drivers) were created of which three are permanent and four are seasonal jobs.
- 37 farmers will receive the production input and it is envisaged that 3700 season jobs will be created after planting the expected hectareage of 1850.



Picture: Agri-Park inputs to be donated to farmers

In conclusion

It is important for the district unit to acknowledge that the Free State is a farming province and that there are several independent and government agricultural entities and companies that can assist small and emerging farmers. It is against this background that the district has had meetings and fostered good relations with AVCASA, MSD Animal Health, AfriVet, AFASA, LIMA, Talitha, OBP, NERPO, Nu Pro Feeds, VKB, Tshebetso ke kutlwano mechanisations cooperative, SAPPO, Wesgrow, CCS, MPO, SERNICK, local newspapers, local agricultural schools and local municipalities.

The unit has also continued with the culture of chairing the Agriculture and Rural Development Forum that meets quarterly to discuss and address various challenges experienced by local farming communities. The Forum meets with agricultural stakeholders within the district.

COMPONENT D : COMMUNITY AND SOCIAL SERVICES

CHILD CARE AND SOCIAL PROGRAMMES

COMPONENT E : ENVIRONMENTAL PROTECTION POLLUTION CONTROL

COMPONENT F : HEALTH

COMPONENT G : SECURITY AND SAFETY

Disaster Management

COMPONENT H: SPORTS AND RECREATION

SPORT AND RECREATION

COMPONENT I : CORPORATE POLICY OFFICES AND OTHER SERVICES

EXECUTIVE AND COUNCIL

Component J : Miscellaneous

Component K : Organisational Performance Scorecard Please refer to Annual Performance Report.



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Food Control and Monitoring	Number of food premises visited	OPEX	DPEX	M	Inspection Reports										Inspection Reports										Inspection Reports
					75% Food Premises Inspections	75% Food Premises Inspections	1441	75% Food Premises Inspections	75% Food Premises Inspections	1441	75% Food Premises Inspections	75% Food Premises Inspections	1441	75% Food Premises Inspections	75% Food Premises Inspections	1441	75% Food Premises Inspections	75% Food Premises Inspections	1441						
Food Control and Monitoring	Number of food samples taken	OPEX	DPEX	M	MHS 21	329	Chikilang 168 Samples	Chikilang 168 Samples	340	Chikilang 168 Samples	Chikilang 168 Samples	340	Chikilang 168 Samples	Chikilang 168 Samples	340	Chikilang 168 Samples	Chikilang 168 Samples	340							
					MHS 22	255	Seriso 132 Samples	Seriso 132 Samples	542	Seriso 132 Samples	Seriso 132 Samples	542	Seriso 132 Samples	Seriso 132 Samples	542	Seriso 132 Samples	Seriso 132 Samples	542							
					MHS 23	99	Mamusa 108 Samples	Mamusa 108 Samples	106	Mamusa 108 Samples	Mamusa 108 Samples	106	Mamusa 108 Samples	Mamusa 108 Samples	106	Mamusa 108 Samples	Mamusa 108 Samples	106							
					MHS 24	75	Mamusa 96 Samples	Mamusa 96 Samples	124	Mamusa 96 Samples	Mamusa 96 Samples	124	Mamusa 96 Samples	Mamusa 96 Samples	124	Mamusa 96 Samples	Mamusa 96 Samples	124							
					MHS 25	44	Phumvella 108 Samples	Phumvella 108 Samples	101	Phumvella 108 Samples	Phumvella 108 Samples	101	Phumvella 108 Samples	Phumvella 108 Samples	101	Phumvella 108 Samples	Phumvella 108 Samples	101							
					MHS 26	362	Makul A Pholung 144 Samples	Makul A Pholung 144 Samples	178	Makul A Pholung 144 Samples	Makul A Pholung 144 Samples	178	Makul A Pholung 144 Samples	Makul A Pholung 144 Samples	178	Makul A Pholung 144 Samples	Makul A Pholung 144 Samples	178							
					MHS 27	126	214 Milk Samples	214 Milk Samples	371	214 Milk Samples	214 Milk Samples	371	214 Milk Samples	214 Milk Samples	371	214 Milk Samples	214 Milk Samples	371							
					MHS 28	71	Chikilang 60 Samples	Chikilang 60 Samples	78	Chikilang 60 Samples	Chikilang 60 Samples	78	Chikilang 60 Samples	Chikilang 60 Samples	78	Chikilang 60 Samples	Chikilang 60 Samples	78							
					MHS 29	67	Seriso 36 Samples	Seriso 36 Samples	84	Seriso 36 Samples	Seriso 36 Samples	84	Seriso 36 Samples	Seriso 36 Samples	84	Seriso 36 Samples	Seriso 36 Samples	84							
					MHS 30	42	Mamusa 36 Samples	Mamusa 36 Samples	67	Mamusa 36 Samples	Mamusa 36 Samples	67	Mamusa 36 Samples	Mamusa 36 Samples	67	Mamusa 36 Samples	Mamusa 36 Samples	67							
Water Quality Monitoring	Number of water samples taken	OPEX	DPEX	M	MHS 31	378	Mamusa 36 Samples	Mamusa 36 Samples	45	Mamusa 36 Samples	Mamusa 36 Samples	45	Mamusa 36 Samples	Mamusa 36 Samples	45	Mamusa 36 Samples	Mamusa 36 Samples	45							
					MHS 32	33	Phumvella 36 Samples	Phumvella 36 Samples	44	Phumvella 36 Samples	Phumvella 36 Samples	44	Phumvella 36 Samples	Phumvella 36 Samples	44	Phumvella 36 Samples	Phumvella 36 Samples	44							
					MHS 33	24	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	27	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	27	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	27	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	27							
					MHS 34	317	312 Water Samples	312 Water Samples	434	312 Water Samples	312 Water Samples	434	312 Water Samples	312 Water Samples	434	312 Water Samples	312 Water Samples	434							
					MHS 35	55	Chikilang 60 Samples	Chikilang 60 Samples	88	Chikilang 60 Samples	Chikilang 60 Samples	88	Chikilang 60 Samples	Chikilang 60 Samples	88	Chikilang 60 Samples	Chikilang 60 Samples	88							
					MHS 36	48	Seriso 48 Samples	Seriso 48 Samples	66	Seriso 48 Samples	Seriso 48 Samples	66	Seriso 48 Samples	Seriso 48 Samples	66	Seriso 48 Samples	Seriso 48 Samples	66							
					MHS 37	53	Mamusa 48 Samples	Mamusa 48 Samples	46	Mamusa 48 Samples	Mamusa 48 Samples	46	Mamusa 48 Samples	Mamusa 48 Samples	46	Mamusa 48 Samples	Mamusa 48 Samples	46							
					MHS 38	28	Mamusa 48 Samples	Mamusa 48 Samples	48	Mamusa 48 Samples	Mamusa 48 Samples	48	Mamusa 48 Samples	Mamusa 48 Samples	48	Mamusa 48 Samples	Mamusa 48 Samples	48							
					MHS 39	35	Phumvella 48 Samples	Phumvella 48 Samples	48	Phumvella 48 Samples	Phumvella 48 Samples	48	Phumvella 48 Samples	Phumvella 48 Samples	48	Phumvella 48 Samples	Phumvella 48 Samples	48							
					MHS 40	78	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	137	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	137	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	137	Makul A Pholung 60 Samples	Makul A Pholung 60 Samples	137							
Water Quality Monitoring	Number of water samples taken	OPEX	DPEX	M	MHS 41	861	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331										
					MHS 42	861	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331	136 Outdoor Facilities Inspections	136 Outdoor Facilities Inspections	331							

To provide a comprehensive
Municipal Health and
Environmental Management
Service to the Community of
Thaba Mafurungana
District Municipality

Disposal of the dead	Number funeral parlours inspected	OPK	OPK	MIS 56	21	Selkirk 12 Inspections	Sarnio 12 Inspections	18	Inspection Report	Inspection Reports	Achieved	Not applicable since the KPI is been achieved
				MIS 58	9	Manitoba 12 Inspections	Manitoba 12 Inspections	15			Achieved	Not applicable since the KPI is been achieved
				MIS 59	16	Manitoba 12 Inspections	Manitoba 12 Inspections	21			Achieved	Not applicable since the KPI is been achieved
				MIS 61	5	Phonick 12 Inspections	Phonick 12 Inspections	13			Achieved	Not applicable since the KPI is been achieved
				MIS 62	30	Makel A Pholung 12 Inspections	Makel A Pholung 12 Inspections	33			Achieved	Not applicable since the KPI is been achieved
						24 Environmental Health awareness Campaign	24 Environmental Health awareness Campaign	64				
Environmental Health awareness	Environmental health awareness campaigns conducted	OPK	OPK	MIS 63		Dislberg 4 Campaign	Dislberg 4 Campaign	16	Campaign Report, attendance Register and Pictures	Campaign Report, attendance Register and Pictures	Achieved 8 with sufficient evidence and the remainder with insufficient evidence	Not applicable since the KPI is been achieved
				MIS 64		Sarnio 4 Campaign	Sarnio 4 Campaign	17			Achieved 11 with sufficient evidence and the remainder without enough evidence	Not applicable since the KPI is been achieved
				MIS 65		Manitoba 4 Campaign	Manitoba 4 Campaign	7			Achieved 104 campaign with complete evidence and the remaining three insufficient evidence	Not applicable since the KPI is been achieved
				MIS 66	44	Manitoba 4 Campaign	Manitoba 4 Campaign	2			Partially achieved because of insufficient evidence and achievement of only two campaigns	Awarded for additional fee his additional fee has been submitted to the Accounting Officer
				MIS 67		Phonick 4 Campaign	Phonick 4 Campaign	4			Partially achieved because of insufficient evidence and achievement of only two campaigns	A report to additional fee has been submitted to the Accounting Officer
				MIS 68		Makel A Pholung 4 Campaign	Makel A Pholung 4 Campaign	18			Partially achieved because only three campaigns had sufficient evidence and the remaining have incomplete evidence	This will reported in the coming financial year
					44	24 Waste Disposal also Inspections	24 Waste Disposal also Inspections	42				
				MIS 69	16	Dislberg 4 Inspections	Dislberg 4 Inspections	13			Achieved	Not applicable since the KPI is been achieved

[illegible]

Ensure the strengthening and further growth of current freshfish in the region	Marketing & Promoting Local Products at Tourism Shows & Exhibitions	Financially Support the Beneficiaries/Activities on the 30 Dec 2018	R 40 000	R 431 518	Q	TRM 83	How	30-Dec-18	25-Aug-18	Submission request to Municipal Manager for Proof of Purchase, and Delivery note - fiscal invoice	Not applicable because the KPI is not targeted for this quarter	Achieved	Not applicable because the KPI is Achieved	The KPI will be reviewed in 2019
			Agriculture											
			Number of Farmers assisted with Tools of Trade on the 30 June 2018	R 500 000		Q	AGM 84	Not listed	Assisting 8 Farmers with Tools of Trade on the 30 Jun 2018	8 Farmers assisted with Tools of Trade on the 30th June 2018	Submission request to Municipal Manager for Proof of Purchase, and Delivery note - Fiscal Invoice	Not applicable because the KPI is not targeted for this quarter	Achieved	Not applicable because the KPI is Achieved
			Number of District Agriculture and Rural Development forums to be held	QPR4		Q	QPR4 85	4 days	4 District Agriculture and Rural Development Forums were held	4 District Agriculture and Rural Development Forums were held	Invitation, Agenda, Attendance Register & Approved signed Minutes of Meeting	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved
			Sending 13 Farmers to NAMPO Day on the 30 June 2018			Y	QPR4 86	Sending 13 Farmers to NAMPO on the 30 June 2018	13 Farmers were to NAMPO on the 30 June 2018	Signed Report, Attendance Register and Photos	Not applicable because the KPI is not targeted for this quarter	Achieved	Not applicable because the KPI is Achieved	
Create an Enabling Environment for Agricultural Growth & Development	Agricultural Exhibitions / Shows	Sending 13 Farmers to NAMPO Day on the 30 Sep 2018	R 60 000		Y	QPR4 87	30-Sep-17	Sending 13 Farmers to NAMPO on the 30 Sep 2018	13 Farmers were to NAMPO on the 30 Sep 2018	Signed Report, Attendance Register and Photos	Not applicable because the KPI is not targeted for this quarter	Achieved	Not applicable because the KPI is Achieved	
		Training of 50 Emerging Farmers on the following: Animal Health, Poultry Production, Poultry Production, Animal Production, Animal Production	R 50 000		Q	QPR4 88	30-Jun-18	Training of 50 emerging Farmers on the 30 Jun 2018	50 EPWP Participants will be employed	Signed employment Contracts	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
Identify Projects that Create Jobs and Benefit the Community	To create jobs through Various Programmes and Projects	Number of Jobs to be created through EPWP Incentive Grant on the 30 June 2018	R 1 180 000		Q	PRAC 89	None	Employ 50 EPWP Participants	50 EPWP Participants were employed	Signed employment Contracts	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
		Monthly progress Reports on EPWP Incentive Grant sent to Public Works on the 10th of every month	Open		M	PRAC 90	5 Days after end of each quarter	12 Monthly progress Reports on EPWP Incentive Grant	12 Monthly progress Reports on EPWP Incentive Grant	Signed Monthly Reports	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
Corporate Support														
Create a Responsive and Accountable Administration	To support Council and its Committees	Submissions of Items to all departments from all departments to MM for Council Agenda 5 days before the Council meeting	Open		Q	CS 100	5 days	5 Days before the Council meeting	5 Days before the Council meeting	Distribution List	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
		Distribution of Agenda to Council Members 2 Days before the Council meeting	Open		Q	CS 101	10 days	Distribution of Agenda 2 Days before the Council Meeting	Distribution of Agenda was done 1 Day before the Council Meeting	Distribution List	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
		Submission of Items to the Executive Mayor for MACTCO Agenda 5 days before the MACTCO meeting	Open		Q	CS 103	60 days	Submission of Items to MACTCO 5 Days before MACTCO Meeting	Submission of Items was done 6 Days before MACTCO Meeting	Distribution List	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	
		Distribution of Mayor Agenda to secretary of the Executive Mayor 3 days before the Mayor's meeting	Open		Q	CS 101	2 days	Distribution of Mayor Agenda 2 Days before the Mayor's Meeting	Distribution of Mayor's Agenda was done 3 Days before the Mayor's Meeting	Distribution List	Not applicable because the KPI is Achieved	Achieved	Not applicable because the KPI is Achieved	

<p>To Promote Sound Human Resource Management Practices</p>	Number of HR Portfolio Committee meetings held	Open	Open	Q	HR 104	10 meetings	11 HR Portfolio Committee Meetings	2 HR Portfolio Committee Meetings	8 meetings	Portfolio Committee meeting agenda, signed minutes and attendance register	Achieved	Not applicable because the KPI is achieved
	Number of Human Resources to be policies reviewed	Open	Open	Q	HR 105	2 Policies	2 Human Resources policies reviewed	2 Human Resources policies reviewed	7 Policies	Proof of submission to Council, Human Resource Policy and Council resolution	Achieved	Not applicable because the KPI is achieved
	Review of the Municipal Organogram on the 31 March 2015	Open	Open	Y	HR 106	31-May-18	Reviewed Municipal Organogram by 31 March 2015	Reviewed Municipal Organogram on the 31st March 2019	28-May-18	Proof of submission to Council, Reviewed Organogram and Council resolution	Achieved	Not applicable because the KPI is not targeted for this better
	Workplace skills plan & ATN developed and submitted to COSSETA on the 30 April 2018	Open	Open	Y	HR 107	30-May-18	Workplace skills plan & ATN developed and submitted on the 30th April 2019	Workplace skills plan & ATN developed and submitted on the 30th April 2019	Workplace skills plan & ATN developed and submitted on 30 May 2019	Acknowledgement letter from COSSETA and submission approval	Partially Achieved	The department will comply with the submission date as required
	Skills Audit forms to be handed over to Employees on the 31 Jan 2019	Open	Open	Y	HR 108	21-Jan-18	Skills Audit forms to be handed over to Employees by 31 Jan 2019	Skills Audit forms to be handed over to Employees on the 31 Jan 2019	Skills Audit forms to be handed over to Employees on the 31 Jan 2019	Distribution List from the department	Achieved	Not applicable because the KPI is achieved
	Number of Occupational Health and Safety Committee Meetings to be held	Open	Open	Y	HR 109	Now	4 Occupational Health and Safety Committee Meetings	4 Occupational Health and Safety Committee Meetings	3 Meetings	OHSS Committee meeting agenda, signed minutes and attendance register	Partially Achieved	This will be corrected in the coming financial year
	Employment Equity Report to be submitted to the Department of Labour on the 31 Jan 2019	Open	Open	Y	HR 110	15-Jan-18	EE Report to be submitted to the department of labour by 15 Jan 2019	EE Report to be submitted to the department of labour on the 15th Jan 2019	No EE Report submitted to the department of labour	Not applicable because the report was not submitted	Not Achieved	EE Plan will be submitted to the department of labour because we struggled to reinstate the Pastors
	Number of Local Labour Forum Meetings	Open	Open	Q	HR 111	5 Meetings	16 Local Labour Forum Meetings	4 Local Labour Forum Meetings	4 Meetings	Attendance Register and signed minutes of Meetings	Partially Achieved	The department will ensure to adhere to the adopted schedule
	Number of Internal Newsletters Published	Open	Open	Y	COM 113	12 Newsletters	12 Internal Newsletters published	12 Internal Newsletters published	13 Internal Newsletters published	Published Internal Newsletters	Achieved	Not applicable because the KPI is achieved
	Number of External Newsletters Published	Open	Open	Y	COM 114	2 Newsletters	4 External Newsletters published	4 External Newsletters published	4 External Newsletters published	Published External Newsletters	Achieved	Not applicable because the KPI is achieved
<p>To Maintain Sound Labour Relations</p>	Number of Communication Channels Utilised	Open	Open	N	COM 115	17 Communication Channels	16 Communication Channels utilized	21 Communication Channels utilized	21 Communication Channels utilized	Online media, Social Media, Billboards, Website, Email, Posters, Leaflets, Brochures, Audio Tapes, Video Tapes, Booklets, Speeches, Promotional Materials	Achieved	Not applicable because the KPI is achieved
	Number of Grievance Communications Held	Open	Open	Q	COM 116	4 Grievances	4 Grievance Communications held	4 Grievance Communications held	4 Grievance Communications held	Attendance Register and Minutes of Meetings	Achieved	Not applicable because the KPI is achieved

Maintain the Institutional Capacity to implement the IDP and accompanying programmes effectively and efficiently

COMPTON ELECTRONICS

Safe IT Systems are in place	Functional Disaster recovery solution	Number of Test Charter recovery solution Plan	OPEX	OPEX	OPEX	Q	ICT129	1 Test disaster recovery solution	4 Test disaster recovery	8 Test disaster recovery	No tests disaster recovery were run	System report	Not applicable because no tests were run		Not applicable because the RPI is achieved	No tests were performed due to system limitation.	A new service provided not been approved for the development of the solution. The first phase of the development/online DIT has been completed, the second phase i.e. allow storage and testing is in progress
	Ensure Compliance with section 75 of MIPAA	100% of Website Update Requests Carried out within 1 Day	OPEX	OPEX	OPEX	M	ICT130	100% Website Update Requests	100% Website Update Requests	100% Website Update Requests	100% Website Update Requests	Sign-off Form	Not applicable because the RPI is achieved	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved
	Ensure that IT Meetings are held	Number of ICT steering committee meetings. Coordinated quarterly	OPEX	OPEX	OPEX	Q	ICT131	3 meetings	4 meetings	4 meetings	4 meetings	Insulation, Agenda, Attendance Register and Minutes	Not applicable because the RPI is achieved	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved
Ensure the effective Security Plans and Policies are achieved	Ensure timorous submission of Reports	Number Delivery notes of Quarterly Sectional Reports Submitted to the Municipal Manager 10 Days After the end of the Quarter	OPEX	OPEX	OPEX	Q	SS112	12 Days after the end of the Quarter	Quarterly Sectional Reports Submitted to the Municipal Manager 10 Days After the end of the Quarter	Quarterly Sectional Reports Submitted to the Municipal Manager 10 Days After the end of the Quarter	Quarterly Sectional Reports Submitted to the Municipal Manager 10 Days After the end of the Quarter	Copy of Signed Delivery Note	Not applicable because the RPI is achieved	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved
		Review of the Security Plan on the 31 March 2019	OPEX	OPEX	OPEX	X	SS113	The Security Plan by was not reviewed	Review of the Security Plan on the 31 March 2019	Review of the Security Plan on the 31 March 2019	The plan was not reviewed	Confidential Security Plan and Council Regulation	Not applicable because the indicator is not achieved	Not Achieved	The committee responsible for submission of the policies to council did not submit	This will be completed in the coming financial year	
	Ensure Development of Plans and Policies	Review of the Security Policy on the 31 March 2019	OPEX	OPEX	OPEX	X	SS114	The Security Policy was not reviewed	Review of the Security Policy on the 31 March 2019	Review of the Security Policy on the 31 March 2019	The policy was not reviewed	Confidential Security Policy and Council Regulation	Not applicable because the indicator is not achieved	Not Achieved	The committee responsible for submission of the policies to council did not submit	This will be completed in the coming financial year	
PARTNERS																	
To Facilitate Payments	To Facilitate Payments	Payment of Creditors within 30 days of receipt of Invoice	OPEX	OPEX	OPEX	M	FIN115	Only 80% of creditors were paid within 30 days	100% Payment of Creditors	100% Payment of Creditors	94% Payment of Creditors	Creditors Aging Report	12 Months Creditors Aging Analysis Report	Partially Achieved	Delay by CITA in terms of depositing funds to the bank account	CITA Creditors will be captured on MARS system after funds are received	
		Preparation of Cashbooks within 10 Working Days After the end of the Month	OPEX	OPEX	OPEX	M	FIN116	7 Days	Preparation of Cashbooks 10 Days After the end of the Month	Preparation of Cashbooks 10 Days After the end of the Month	7 Days	Last Transaction Date in the Cashbook	12 Months Last Transaction Date in the Cashbooks	Achieved	After end period book-keeping and the reports were delayed	In future the year end provisions will be finalized and the significance of Compliance will be considered	
		Preparation of VAT Reconciliation After Submission within 10 Days After Submission of Returns	OPEX	OPEX	OPEX	M	FIN117	5 Days	Preparation of VAT Reconciliation 10 Days After Submission of Returns	Preparation of VAT Reconciliation 10 Days After Submission of Returns	5 Days	Van Return Submission Date and the Approval of Return	12 Months Van Return Submission Date and the Approval of Return	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	
		Submission of VAT Returns within 30 Days After the end of the Month	OPEX	OPEX	OPEX	M	FIN118	30 Days	Submission of VAT Returns 30 Days After the end of the Month	Submission of VAT Returns 30 Days After the end of the Month	30 Days	Submission Date (Final)	12 Months Submission Date (Final)	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	
		Reconciliation between Payroll and General Ledger within 10 working days After the end of the Month	OPEX	OPEX	OPEX	M	FIN119	5 days	Reconciliation between Payroll and General Ledger 10 Days After the end of the Month	Reconciliation between Payroll and General Ledger 10 Days After the end of the Month	4 Days	Signed Date	12 Months Signed Date	Achieved	Not applicable because the RPI is achieved	Not applicable because the RPI is achieved	

Project Staff Benefits Expenditure	Payment of salaries & allowances 25 Days after the beginning of each month	22 Days after the beginning of each month	Payment of salaries & allowances 25 Days after the beginning of each month	Payment of salaries & allowances 25 Days after the beginning of each month	23 Days	Bank Statement (Proof)	12 Months Bank Statements	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Prepare quarterly expenditure on staff benefits	Prepare quarterly expenditure on staff benefits	Prepare quarterly expenditure on staff benefits	Prepare quarterly expenditure on staff benefits	Quarterly expenditure reports	Signed Report	Quarterly expenditure reports	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
BUDGETING & REPORTING										
To Facilitate Budgeting	Submit to Council the Reviewed Budget & Tariffs Annually on 31 Jan 2019	30 Days after the end of the month	Submit the Review of Budget by 31 Jan 2019	Submit the Review of Budget by 31 Jan 2019	28 Jan-19	Achievement letter from Provincial & National Treasury and Council Resolution	Achievement letter from Provincial & National Treasury and Council Resolution	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Prepare of income and expenditure report within 10 working days after the end of the month (Section 7)	10 Days after the end of the month	Submission of income and expenditure report within 10 working days after the end of the month	Submission of income and expenditure report within 10 working days after the end of the month	12 Days	Signed Section 7 Report	12 Signed Section 7 Reports	Not Achieved	Year end process took long and the reports were delayed	Year end process took long and the reports were delayed
	Submission of Annual Financial Statement to Office of the Auditor General on the 31st Aug 2018	30 Days after the end of the month	Submission of Annual Financial Statement on the 31 Aug 2018	Submission of Annual Financial Statement on the 31 Aug 2018	31 Aug-18	Signed Section 7 Report Date Stamp on e-mail	Signed Section 7 Report Date Stamp on e-mail	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Complete Budget table on the 31st Aug 2018	21 Jul-17	Complete Budget table by 31 Aug 2018	Complete Budget table by 31 Aug 2018	Budget table was not completed	Internal Mail Register	Not applicable because Budget table was not completed	Not Achieved	This was an oversight	This was an oversight
	Submission of draft Budget and tariffs to Council for taking on the 31st March 2019	28 Mar-18	Submission of draft Budget on Council on the 31 Mar 2019	Submission of draft Budget on Council on the 31 Mar 2019	Draft Budget submitted to Council on the 31 Mar 2019	Draft Budget & Council Resolution	Draft Budget & Council Resolution	Achieved	Not applicable because this indicator is not targeted for this quarter	Not applicable because this indicator is not targeted for this quarter
	Submission of budget on the 31st May 2019 to Council for approval	31 May-18	Submission of budget by 31 May 2019	Submission of budget by 31 May 2019	31 May-19	Final Budget & Council Resolution	Final Budget & Council Resolution	Achieved	Council of 30 members will be formed and the significance of Completion will be considered	Council of 30 members will be formed and the significance of Completion will be considered
	Investment in Investments, Engagements, Reconciliation, Interest Reconciliation	N/A	12 Monthly Reports	12 Monthly Reports	12 Monthly Reports	Signed Monthly Report	12 Signed Monthly Reports	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Investment in Investments, Engagements, Reconciliation, Interest Reconciliation	N/A	12 Monthly Reports	12 Monthly Reports	12 Monthly Reports	Signed Monthly Report	12 Signed Monthly Reports	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Investment in Investments, Engagements, Reconciliation, Interest Reconciliation	N/A	12 Monthly Reports	12 Monthly Reports	12 Monthly Reports	Signed Monthly Report	12 Signed Monthly Reports	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Investment in Investments, Engagements, Reconciliation, Interest Reconciliation	N/A	12 Monthly Reports	12 Monthly Reports	12 Monthly Reports	Signed Monthly Report	12 Signed Monthly Reports	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
SUPPLY CHAIN MANAGEMENT										
	Completion and review of supplier database quarterly within 10 days after the end of the Quarter	Supplier Database was done for last two quarters only	Completion and review of supplier database 10 Days after the end of the Quarter	Completion and review of supplier database 10 Days after the end of the Quarter	6 Days	Signed Suppliers Payment	Signed Suppliers Payment	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved
	Monthly reporting of all tenders awarded within 10 days after the end of the Month	6 days	Monthly report of all tenders awarded 10 Days after the end of the month	Monthly report of all tenders awarded 10 Days after the end of the month	6 Days	Signed Monthly Report	Signed Monthly Report	Achieved	Not applicable because the KPI is achieved	Not applicable because the KPI is achieved

Effectively Manage the
Financials of the District and
Development of necessary
measures for full
Accountability and Reporting

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Ensure that Internal Audit Charter and Coverage Plan are in place	Submission of Internal Audit Coverage Plan to the 30th Sep 2018	DP1X	DP1X	Y	16/12	25-Aug-17	Submission of Internal Audit Coverage Plan by 30 Sep 2018	Submission of Internal Audit Coverage Plan to Council on the 31st Oct 2018	Internal Audit Coverage Plan was submitted to Council on the 31st Oct 2018	Approved Internal Audit plan, Audit Committee minutes	Approved	Not applicable because the KPI is achieved
	Submission of Internal Audit Coverage Plan to Council on the 11th Oct 2018	DP1X	DP1X	Y	16/12	31-Oct-17	Submission of Internal Audit Coverage Plan by 30 Sep 2018	Submission of Internal Audit Coverage Plan to Council on the 31st Oct 2018	Internal Audit Coverage Plan was submitted to Council on the 31st Oct 2018	Signed Submission Register and Adopted Internal Audit plan and Council resolutions	Approved	Not applicable because the KPI is achieved
	Overall Quarterly Internal Audit Reports submitted to the Nominated Manager by the 15th after the end of the Quarter	DP1X	DP1X	Q	16/14	15 days	Overall draft Quarterly Internal Audit Reports submitted 25 days after the end of the Quarter	Overall draft Quarterly Internal Audit Reports submitted 20 days after the end of the Quarter	Overall draft Quarterly Internal Audit Reports submitted 20 days after the end of the Quarter	Signed Submission Register, Submitted Internal Audit Overall Reports	Approved	Not applicable because the KPI is achieved
	Review of Audit & Performance Charter on the 30th Sep 2018	DP1X	DP1X	Y	16/15	14-Jul-17	Review of Audit & Performance Charter by 30 Sep 2018	Review of Audit & Performance Charter on the 30th Sep 2018	Review of Audit & Performance Charter was done on the 13 July 2018	Reviewed Audit & Performance Committee Charter, Audit Committee minutes	Approved	Not applicable because the KPI is achieved
Review of Audit Performance Charter	Submission of Audit & Performance Charter to Council on the 31st Oct 2018	DP1X	DP1X	Y	16/16	27-Oct-17	Submission of Audit & Performance Charter to Council by 31 Oct 2018	Submission of Audit & Performance Charter to Council on the 31st Oct 2018	Audit & Performance Charter was submitted to Council on the 21st July 2018	Signed Submission Register	Approved	Not applicable because the KPI is achieved
	Number of ordinary audit and performance committee meetings held	DP1X	DP1X	Q	16/17	4 Meetings	4 ordinary audit and performance committee meetings	4 ordinary audit and performance committee meetings	Audit and performance committee held 4 ordinary meetings	4 Minutes of Meetings and attendance register	Approved	Not applicable because the KPI is achieved
Ensure that 2018/19 Risk Management plans are in place	Review of Risk Management Committee Charter, Fraud Risk Management Plan, Risk Policy and Strategy and submission to Risk Management Committee on the 31st May 2019	DP1X	DP1X	Y	16/12/18	Not Reached	Review and Submission of Fraud Prevention Policy and Strategy and submitted to the Risk committee on the 31st May 2019	Review and Submission of Fraud Prevention Policy and Strategy and submitted to the Risk committee on the 31st May 2019	Fraud Prevention Policy and Strategy and submitted to the Risk committee on the 31st May 2019	Attendance register, Unlogged minutes of the Risk Management Committee	Partially Achieved because minutes are not signed off	The appointment of the Chairperson will be standard
	Submission of Risk Management Committee Charter, Fraud Risk Management Plan, Risk Policy and Strategy to council for approval on the 30th June 2019	DP1X	DP1X	Y	16/11/19	Not Reached	Submission of Fraud Prevention Plan, Risk Management Policy and Strategy by 30 June 2019	Submission of Fraud Prevention Plan, Risk Management Policy and Strategy to Council on the 30th June 2019	Fraud Prevention Plan, Risk Management Policy and Strategy submitted to Council on the 30th May 2019	Attendance and Minutes of Meetings	Achieved	Not applicable because the KPI is achieved
	Number of risk maturity reports to be issued by Risk Management Committee to the accounting Officer	DP1X	DP1X	Q	16/17/19	2 Risk Maturity Reports	4 Signed Risk maturity Reports issued	4 Signed Risk maturity Reports issued	Risk Maturity Reports issued	Risk Maturity Reports	Achieved	Not applicable because the KPI is achieved
	Number of risk assessment training sessions to be conducted	DP1X	DP1X	Q	16/17/19	2 Training sessions	4 Risk management Training sessions	4 Risk management Training sessions	4 Training sessions conducted	Declarations, attendance register and repeat presentation	Achieved	Not applicable because the KPI is achieved
Risk Management Committee Meetings held	Number of risk assessment to be conducted	DP1X	DP1X	Q	16/17/19	3 Risk assessment Registers	4 Risk assessment Registers	4 Risk assessment Registers	3 Risk assessment Conducted	Signed off risk registers and reports submitted to council structures	Partially Achieved	This will be reflected in the coming financial year
	Number of risk management Committee Meetings held	DP1X	DP1X	Q	16/17/19	1 Meeting	4 Risk Management Committee Meetings	4 Risk Management Committee Meetings	1 Meetings	Attendance Register, Unlogged Minutes of Meetings	Partially Achieved	The appointment of the Chairperson will be expedited

Make the IDP a working Document for all staff	Submission of 2019/2020 IDP Process Plan to Council on the 31st August 2018	OPEX	OPEX	Y	IP174	31-Aug-17	Submission of 2019/2020 IDP Process Plan to Council on the 31st Aug 2018	15-Jul-18	Internal Mail Register	Internal Mail Register	Achieved	Not applicable because the KPI is achieved
	Submission of 2017/18 Draft Annual Report to Auditor General by the 31st Aug 2018	OPEX	OPEX	Y	IP175	31-Aug-17	Submission of 2017/18 Draft Annual Report to Auditor General by the 31st Aug 2018	31-Aug-18	AG Acknowledgement of Receipt	AG Acknowledgement of Receipt	Achieved	Not applicable because the KPI is achieved
	Tabling of 2017/18 Draft Annual Report to Council on the 31st Jan 2019	OPEX	OPEX	Y	IP176	31-Jan-18	Tabling of 2017/18 Draft Annual Report to Council on the 31st Jan 2019	29-Jan-19	Copy Of Draft Annual Report & Council Resolution	Copy Of Draft Annual Report & Council Resolution	Achieved	Not applicable because the KPI is achieved
	Submission of 2017/18 Final Annual Report to Council for Adoption on the 31st Mar 2019	OPEX	OPEX	Y	IP177	31-Mar-18	Submission of Final 2017/18 Annual Report to Council on the 31st Mar 2019	28-Mar-19	Copy Of Final Annual Report & Council Resolution	Copy Of Final Annual Report & Council Resolution	Achieved	Not applicable because the KPI is achieved
	Tabling of 2019/2020 Draft IDP to Council on the 31st Mar 2019	OPEX	OPEX	Y	IP178	31-Mar-18	Tabling of 2019/2020 Draft IDP on the 31st Mar 2019	28-Mar-19	Signed Draft IDP & Council Resolution	Signed Draft IDP & Council Resolution	Achieved	Not applicable because the KPI is achieved
	Signing of Final 2019/2020 SOBP 18 Days After Adoption of the Budget	OPEX	OPEX	Y	IP179	28 Days After Budget Adoption	Signing of Final 2019/2020 SOBP 18 Days After Budget Adoption	28 days	Signed SOBP	Signed SOBP	Achieved	Not applicable because the KPI is achieved
	Number of District GP Managers Fails to be met	OPEX	OPEX	Q	IP180	4 Fails	4 District GP Managers Fails	4 Fails	Attendance Register & Minutes of Meetings	Attendance Register & Minutes of Meetings	Achieved	Not applicable because the KPI is achieved

Make the IDP a working document for all staff

CHAPTER 4

ORGANISATIONAL DEVELOPMENT PERFORMANCE

(Performance Report part 11)

Component A : Introduction to the municipal personnel

Employees					
Description	2018/2019	2017/2018			
	Employees No	Employees no	Approved posts	Vacancies no.	Vacancies Percentage
Office of Municipal Manager	12 Permanent and 1 is on a contract	13		8	
Local Economic Development	7	7		1	
Community Services	27	24		76	
Corporate Services	22 Permanent and 1 is on a contract			11	
Finance	13	14		2	
Political offices	10	10		6	
Infrastructure	5	5		4	
Security	18	19		11	
Communication	5	0		0	
FMG Inters	2	0		0	
Total	121	114		119	

Vacancy rate	2018/2019		
Designations	Total approved posts No.	Vacancies No	Vacancies %
Municipal Manager	17	5	
CFO			
Other S57 managers (excluding Finance posts)	4	3	
Senior Management levels	17	2	
Total	38	10	

COMPONENT B Managing the municipal workforce

Introduction to the Municipal Workforce Management

Over the course of the year , the CDM developed and updated several policies These policies are normally canvassed at pertinent platforms such as Local Labour Forum , Mayoral Committee and Council.

Policies

HR Policies and Plans			
Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
Monitoring , Measuring and Evaluation of Performance of Employees .	100%	✓	30 April 2019

Injuries , Sickness and Suspensions

No incidents of injury on duty during the year under review .

Number of days and costs of sick leave (excl. Injuries on duty)	Total sick leave days	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees not in post	Average sick leave per employee	Estimated cost
120 days and R 149 000.00	120 days	0	0	0	1 Day	149 000.00

Number and Period of suspension				
Nature of Misconduct	Date Suspensions	Details of disciplinary hearing	Details of charge	Date finalized
Claiming from Pension Fund while they are still within the employ of TMDM	14 August 2017	2 Employees charged for misconduct	Fraud and Dishonesty	First case Case finalized in November 2019 and employee is dismissed and Second case status is, Processes to finalise such a case are under way
Constant	Not Applicable	Employees	Absent without	Case Pending

Absenteeism from duty without reporting or Submission of Pertinent Documents substantiating the act which is tantamount to Insubordination		charged for misconduct	permission	
	Not Applicable	Employees charged for misconduct	Absent without permission	Case Pending

Performance rewards

Performance awards by Gender					
Designation	Beneficiary Profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on reward year	Proportion of beneficiaries within group

Comment on Performance Awards

The awards were not done due to some constraints encountered by the district.

COMPONENT C : Capacitating the Municipal workforce

Introduction to workforce capacity

Skills development and Training

NO.	COURSE	TOTAL NO. BENEFITED
1.	Leave Training	2 Incumbents
2.	Fire Fighter 1	2 Incumbents
3.	Fire Fighter 2	2 Incumbents
4.	Hazmart Awareness	2 Incumbents
5.	Hazmart Operation	2 Incumbents

MUNICIPAL FINANCE MANAGEMENT PROGRAM: OFFICIALS

Full Qualification

Qualification	Total No. Benefited	Institution
MFMP	3 Managers	ETAMC

Skills development and related expenditure and on the financial competency regulations

Description	Total No. of employees employed by municipality	Total number of officials employed by municipal entity	Competency assessment completed	Total number of officials whose performance agreement comply with Regulation 16 (regulation 14 (4)(f)	Consolidated total number of officials that meet prescribed competency levels Regulation 16 (regulation 14 (4)(e4)
	1	0	0	0	

Total Skills Development Expenditure –

Component D : Managing the workforce expenditure

Number of employees whose salaries were increased due to their positions being upgraded

✚ 7 Environmental Health Practitioners

Employees whose salary levels exceed the grade determined by job evaluation

✚ None

Employees appointed to posts not approved

✚ None

Disclosure of financial interest

This information is contained in the financial statement

CHAPTER 5

Financial Performance

See Statement of Financial Performance of the Annual Financial Statements.

CHAPTER 6

AUDITOR GENERAL AUDIT FINDINGS

AUDITOR GENERAL REPORT ON AUDIT AS AT 30 JUNE 2018

Report of the auditor-general to the Free State Provincial Legislature and the Council on Thabo Mofutsanyana District Municipality

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Thabo Mofutsanyana District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Thabo Mofutsanyana District Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2017) (Dora).

Basis for qualified opinion

General expenses

3. I was unable to obtain sufficient appropriate evidence for travelling and subsistence and motor vehicle expenses due to the status of the accounting records. The municipality did not have adequate systems of internal control to ensure that goods and services paid for had actually been received. I could not confirm general expenditure by alternative means. Consequently, I was unable to determine whether any adjustments to general expenditure stated at R4 222 299 in note 19 to the financial statements were necessary.

Context for the opinion

4. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
5. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material uncertainty relating to going concern

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.
8. I draw attention to note 27 to the financial statements, which indicates that the municipality incurred a net loss of R4 481 736 during the year ended 30 June 2018 and, as of that date, the municipality's current liabilities exceeded its current assets by R11 331 425. As stated in note 27, these events or conditions, along with other matters as set forth in note 27, indicate that a material uncertainty exists that may cast doubt on the municipality's ability to continue as a going concern.

Emphasis of matter

9. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Irregular expenditure

10. As disclosed in note 31 to the financial statements, irregular expenditure of R13 973 588 (2017: R4 692 309) was incurred, due to non-compliance with Supply Chain Management (SCM) requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

Material impairments

11. As disclosed in note 4 to the financial statements, material losses of R2 561 287 were incurred as a result of a write-off of irrecoverable debtors.

Restatement of corresponding figures

12. As disclosed in note 40 to the financial statements, the corresponding figures for 30 June 2017 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2018.

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

14. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

Unaudited supplementary schedules

15. The supplementary information set out on pages ... to ... does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the MFMA and DORA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
17. In preparing the financial statements, the accounting officer is responsible for assessing the Thabo Mofutsanyana District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected key performance areas (KPAs) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2018:

Key Performance Area	Pages in the annual performance report
KPA 1 – Basic service delivery	x – x

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

24. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA 1 – Basic service delivery

Non-food premises

25. The source information for achieving the planned indicator was not clearly defined.

Number of water samples taken

26. The municipality did not have an adequate record keeping system to enable reliable reporting on achievement of the indicator listed below. As a result, I was unable to obtain sufficient appropriate audit evidence. I was also unable to confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators.

Various indicators

27. The municipality did not have an adequate record keeping system to enable reliable reporting on achievement of the indicators listed below. As a result, I was unable to obtain sufficient appropriate audit evidence in some instances, while in other cases the supporting evidence provided did not agree to the reported achievements. Based on the supporting evidence that was provided, the achievement of these indicators was different to the reported achievements in the annual performance report. I was unable to further confirm the reported achievements by alternative means. Consequently, I was unable to determine whether any further adjustments were required to the reported achievements of the indicators below:

Indicator	Reported achievement	Audited value
Number of milk samples taken	326	254
Number of childcare facilities inspected	301	311
Non-food premises	164	190

Other matter

28. I draw attention to the matter below.

Achievement of planned targets

29. Refer to the annual performance report on pages ... to ... for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 24 to 26 of this report.

Adjustment of material misstatements

30. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2 – Basic service delivery. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

31. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
32. The material findings on compliance with specific matters in key legislations are as follows:

Strategic planning and performance management

33. The IDP did not reflect a financial plan as required by sections 26 (h) of the Municipal Systems Act, 2000 (Act No. 32 of 2000 (MSA) and municipal planning and performance management regulation 2(3)(a).
34. The SDBIP was revised during the year without approval of the council following approval of an adjustments budget, as required by section 54(1)(c) of the MFMA.

Human Resource management

35. Job descriptions were not established for all posts in which appointments were made, as required by section 66(1)(b) of the MSA.
36. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted, as required by section 67(1)(d) of the MSA.

Expenditure management

37. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.
38. An effective system of expenditure control, including procedures for the payment of funds, was not in place, as required by section 65(2)(a) of the MFMA.

39. Effective steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R13 978 588, as disclosed in note 31, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.
40. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R222 545, as disclosed in note 30 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by interest and penalties incurred on late payments made.

Asset management

41. Capital assets were disposed of without the municipal council having in a meeting open to the public, decided on whether the assets were still needed to provide the minimum level of basic municipal services or considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) 14(2)(b) of the MFMA.

Consequence management

42. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
43. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
44. Allegations of financial misconduct laid against officials of the municipality were not investigated by the disciplinary board, relevant treasury or an independent investigator or team of investigators appointed by council, as required by municipal regulations on financial misconduct procedures and criminal proceedings 5(4).
45. Cases of financial misconduct which constitute a crime committed by officials were not always reported to the South African Police Service, as required by the municipal regulations on financial misconduct procedures and criminal proceedings 10(1).

Annual financial statements

46. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the MFMA. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and, which resulted in the financial statements receiving a qualified audit opinion.

Liability management

47. An effective system of internal control for liabilities was not in place, as required by section 63(2)(c) of the MFMA.

Procurement and contract management

48. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, as required by SCM regulation 17(a) and (c). Similar non-compliance was also reported in the prior year.
49. Some of the invitations for competitive bidding were not advertised for a required minimum period of days, as required by SCM regulation 22(1) and 22(2).
50. Some of the contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, as required by SCM regulations 21(b) and 28(1)(a) and the Preferential Procurement Regulations.
51. Some of the contracts were awarded through a competitive bidding processes that were not adjudicated by the bid adjudication committee, as required by SCM regulation 29(1).
52. Some of the competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2).
53. The preference point system was not applied for some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA).
54. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.
55. Some of the contracts were extended or modified without the approval of a properly delegated official, as required by SCM regulation 5.

Other information

56. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that have been specifically reported in this auditor's report.
57. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
58. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
59. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

60. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
61. Leadership did not always exercise oversight responsibility to ensure compliance with legislation, as instances of non-compliance with applicable laws and regulations reported in the prior year were also identified in the current year. This is due to a lack of investigations and implementation of consequence management.
62. Leadership did not monitor the implementation of the action plan to address material weaknesses identified in the previous year in performance and financial reporting. A proper record management system was not implemented to record information that supported the reported performance and financial information.
63. The processes followed during the preparation and review of the annual financial statements and the annual performance report were not adequate, resulting in material misstatements being identified in the annual financial statements and the annual performance report. This is due to instabilities identified in relation to the position of the chief financial officer.

Auditor - General

Bloemfontein

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPA and on the municipality’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Thabo Mofutsanyana District Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

ACTION PLAN AS AT 30 JUNE 2018



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OFFICE OF THE MUNICIPAL MANAGER

ACTION PLAN TO ADDRESS AUDIT QUERIES / MATTERS ARISING FROM THE AUDIT REPORT AND MANAGEMENT REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 2018

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
AUDIT QUALIFICATION/S RAISED BY AUDITOR GENERAL ON THE AUDIT REPORT FOR THE YEAR 30 JUNE 2018				
General Expenses	I was unable to obtain sufficient appropriate evidence for travelling and subsistence and motor vehicle expenses due to the status of the accounting records. The municipality did not have adequate systems of internal control to ensure that goods and services paid for had actually been received. I could not confirm general expenditure by	Management will strengthen municipalities internal control by including third party invoices to payment voucher checklist completed before payments are made for travelling and subsistence. Fleet reconciliations between third party invoices and Absa statement will be performed	Chief Financial Officer	30 June 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	alternative means. Consequently, I was unable to determine whether any adjustments to general expenditure stated at R4 222 299 in note 19 to the financial statements were necessary			
MATTERS/S RAISED BY AUDITOR GENERAL ON MANAGEMENT REPORT FOR THE YEAR 30 JUNE 2018				
ISS.3-CAF 3: Planning: Internal control deficiencies	<p>- Through inspection of the internal audit reports, it was identified that management does not always respond to internal audit recommendations/findings by the internal audit which could be an indication that management does not demonstrate a positive attitude towards entity's controls.</p> <p>- The municipality has not demonstrated a positive attitude towards non-compliance with laws and regulations and implemented corrective action in a timely manner due to the fact that some of the non-compliance paragraphs reported on in the 2016/17 financial year were repeat paragraphs from the prior years. Furthermore, through the inspection on the progress</p>	Not responded internal audit report will be made to attention of Municipal Manager to secure response and for consequence management	Municipal Manager	Quarterly
		Issues raised on action plan will be implemented on the target date indicated or else challenges will be forwarded to Council for intervention.	Municipal Manager	Quarterly

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>of the action plan of the municipality, it was identified that not all the action plans were fully implemented to ensure that findings reported in the prior years don't re-occur.</p> <p>- Based on the fraud risk identified in the fraud risk register of the municipality and internal audit report findings, it cannot be confirmed whether there are effective ongoing monitoring activities to address the operations of internal controls as this indicates that there are breakdowns in the internal controls.</p> <p>- There are no performance evaluations for staff members lower than the section 56 managers.</p> <p>Therefore, employees are not fairly remunerated for their performance in the municipality.</p>	<p>Proper Controls will be put in place by management to mitigate the fraud risks identified</p> <p>The municipality in conjunction with provincial department are in the process of reviewing PMS Framework to cater for officials below section 56 managers in terms of performance evaluations while waiting for regulation on performance evaluations to be approved</p>	<p>Management/Manager Risk</p> <p>Manager IDP and PMS</p>	<p>Quarterly</p> <p>31 May 2019</p>
ISS.16-CAF 11: IDP does not reflect a budget	In terms of section 26(h) of the Municipal Systems Act: An integrated development plan must reflect a financial plan, which must include a	This will be corrected in the ensuing financial as per recommendation. We will ensure that effective oversight responsibilities are	Manager IDP and PMS	30 June 2019

Comm Findings of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
projection for at least the next three years	<p>budget projection for at least the next three years.</p> <p>Contrary to the above, the municipality's IDP does not reflect a budget projection for at least the next three years for all Key Performance Area (KPA), the budget projections included in the IDP reflected only for the Local Economic Development KPA.</p>	conducted to applicable laws & regulations		
ISS.18-CAF 27: AoPO Performance indicators not well defined or SMART	Performance indicators not well defined or SMART	Effective oversight responsibilities should be conducted to ensure that effective internal controls are in place to ensure is in place to ensure that performance indicators and targets are designed in line with the Framework for Managing Programme Performance Information. This will be corrected in the ensuing financial year	Manager IDP and PMS	30 June 2019
ISS.95-CAF 78: Limitation over job	Job description were subsequently received however; it was identified that other employees job descriptions were signed long after the appointment	Job descriptions have been compiled for all positions. New appointees will sign the job	Director Corporate Services	31 January 2019

Comm of Audit Findings	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
descriptions for employees	process was made which indicates that the job description was not established during the appointment process.	descriptions before assumption of duty		
ISS.94-CAF 81: Property, plant and equipment - Disposals not approved by council	Property, plant and equipment - Disposals not approved by council. Capital assets (SMME assets) were sold without the approval of the council and/or the accounting officer, as required by MFMA. Management does not have a compliance checklist which will ensure that all compliance with the relevant legislation is adhered to.	Management will develop a compliance checklist which will ensure that all compliance with the relevant legislation is adhered to the mentioned SMME equipment were purchased and donated in 2016/2017 however signed contracts between SMMEs and TMDM indicated that assets remained property of the municipality. These contracts were then amended in 2017/2018 financial period to state the original intention was indeed to donate. Contracts will then be submitted to Council for approval as recommended.	Accounting Officer/Chief Financial Officer	31 March 2019
ISS.24-CAF 21: Consequence management: No independent board	No independent board appointed for fraud investigations. It was identified that the municipality had investigations in relation to the fraud cases disclosed in the municipality's fraud register, however, these investigations were not conducted in accordance with the	Management comment on internal control deficiencies: Management did take the necessary steps in cases of fraud by opening criminal cases and instituting disciplinary measures. Management will implement effective internal controls	Director Corporate Services	31 March 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
appointed for fraud investigations	<p>regulations as these investigations were done internally by the personnel of the municipality and not by either the:</p> <p><input type="checkbox"/> disciplinary board</p> <p><input type="checkbox"/> the provincial or National Treasury or</p> <p><input type="checkbox"/> an independent person appointed by Council who has the expertise</p>	<p>with regard to the implementation and monitoring of compliance in the municipality. Management will act in terms of Regulations 4 and 5 of Municipal regulations on financial misconduct.</p>		
ISS.33-CAF 39: Travel and Subsistence (Occurrence)	<p>Management could not provide supporting documentation to confirm that the goods or services were received by the municipality for the expenditure incurred as there we no third-party invoices (K Travel) provided to confirm that the amounts charged by the travelling agency are valid and accurate. Management only has the invoice from the travelling agency which indicates accommodation or flight booked. There is no supporting documentation from the traveling agency to confirm the occurrence of the amount billed for the accommodation</p>	<p>Management will strengthen municipalities internal control by including third party invoices to payment voucher checklist completed before payments are made for travelling and subsistence.</p>	Chief Financial Officer/Finance Manager	30 June 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.43-CAF 53: Fleet Motor Vehicle expenses (Occurrence and Accuracy-Overstatement)	<p>Management could not provide supporting documentation to confirm that the goods and services were received i.e. actual receipts for the purchases, only supporting documentation provided was the statements from the bank, furthermore, the supporting evidence provided did not tie up to the amounts disclosed in the GL and there were no reconciliations performed, the accuracy of these transactions could also not be confirmed. Management only has the statement from ABSA showing the debit orders. The actual receipts for the actual purchase of the fuel are not available</p>	Management have started preparing Fleet reconciliations between third party invoices and Absa statement will be performed.	Chief Financial Officer/Manager SCM	30 June 2019
ISS.45-CAF 67: Contracted services - Non-compliance with the 30 days' requirement	Contracted services - Non-compliance with the 30 days' payments requirement. the payment was not made within 30 days of receiving the relevant invoice.	Management will ensure that payments are made within 30 days from receipt of a tax invoice.	Chief Financial Officer/Finance Manager	30 June 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.74-CAF 64: Expenditure: Non-compliance with SCM process.	No evidence could be obtained that three written price quotations were obtained: Management subsequently included the transactions in the irregular amount and disclosed the amount in the AFS	Management will submit irregular expenditure to MPAC for further investigation and recommend remedial action to Council.	Chief Financial Officer/Manager SCM	30 June 2019
ISS.17-CAF 14: Revised SDBIP does not link to the adjustment budget	Indicators were reviewed and the review of these indicators did not correspond with the adjustment budget	Identified deficiencies will be brought to hall by ensuring that compliance with laws and regulations are adhered to. Effective oversight responsibilities will be conducted to ensure compliance with laws and regulations.	Manager IDP and PMS	30 June 2019
ISS.39-CAF 51: AoPO Discrepancies between registers and what has been reported	Discrepancies have been identified between registers kept to record performance activities and what is on the annual performance report	This has been corrected and registers have been crafted where departmental heads append their signatures during the time of reporting. This practice will be cascaded to ensuing quarterly reporting sessions.	Manager IDP and PMS	30 June 2019
ISS.44-CAF 32: AoPO- no registers in place for reporting on	It could not be confirmed for the below tabled indicators that all the information that should be reported was reported (completeness) as there are no	Registers to keep record of actual performance reported are in place	Manager IDP and PMS	30 June 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
performance indicators	registers in place to keep record of actual performance:			
ISS.14-CAF 9: Supply chain management: No investigation done on the Unauthorised, irregular and fruitless and wasteful expenditure incurred	Instances of unauthorized and irregular expenditure incurred in the prior year were not investigated to determine if a person is liable for the expenditure	Management prepared report of unauthorised irregular and fruitless and wasteful expenditure to Municipal Public Accounts Committee, the prior year UIF expenditure has now been investigated	Chief Financial Officer/Manager Finance/Manager SCM	4 December 2019
ISS.58-CAF 59: Supply chain management: Competitive bids advertised less than the required number of days	Competitive bids were not advertised for 14 days as required: 1. TMDM/EXECMAYOR/FOOD P/04/12/2017 - Ralenoosa (Pty) (Ltd): R32 0191,86 2. TMDM/INFRA/ 01/06/2017 - Ralenoosa (Pty) (Ltd): R659 186,02 No evidence was provided that the accounting officer approved the	Management will from now on ensure that any invitation to prospective providers to submit Bids coincides with the requirement of SCM Regulation 22	Chief Financial Officer/Manager SCM	01 December 2018 (Immediately)

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	advertisement for the lesser period than the required number of days as there was no deviation stating the reasons.			
ISS.68-CAF 77: Supply chain management: Issues identified with the competitive bidding process	<p>1. There was no evaluation and adjudication committee for the following bids, the CFO only compiled an adjudication report for these bids:</p> <p>(a) TMDM/EXECMAYOR/FOOD P/03/10/2017: Ralenoesa (Pty) (Ltd) -</p> <p>(b) TMDM/EXECMAYOR/FOOD P/04/12/2017: Ralenoesa (Pty) (Ltd) -</p> <p>2. The adjudication committee for bid number TMDM/INFRA/ 01/06/2017 Aganang Consulting</p> <p>Engineers was not properly constituted as required by regulation 29 of the Municipal supply chain management regulations. It constituted of the following members:</p> <p>(a) (Chairperson) (CFO)</p> <p>(b) (Director: Corporate services)</p>	All bid Committees are now properly constituted as required by SCM regulation 29. Furthermore, check-list will be developed and maintained.	Municipal Manager/Chief Financial Officer	30 April 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	(c) (Manager: IT) Management does not have a compliance checklist which will ensure that all compliance with the SCM regulations is adhered to.			
ISS.96-CAF 79: Supply chain management: Revisions done on the functionality points on the bidding documents	The evaluation criteria for functionality was revised from that which was on the bidding documents and also the minimum qualifying points were amended from 61 to 75. See below the list of changes. Some of the suppliers that were disqualified could have qualified if the initial points were used. Also, the changes to the points were made by the evaluation committee and not the specification committee: The points on the evaluation sheets used by the evaluation committee members was different from the evaluation criteria which was revised.	Compliance with applicable laws and regulations regarding public invitation for competitive bids (SCM Regulations 21 and 22) will be reviewed and monitored before bids go out for advert	Chief Financial Officer/Manager SCM	01 December 2018 (Immediately)
ISS.99-CAF 85: Supply chain management: Issues	Supplier is not registered on the National treasury central supplier database and it could be proven that the supplier meets the listing requirements.	Management will implement effective oversight controls over the monitoring of the SCM regulations and where management agreed with	Manager SCM/Manager Finance	01 December 2018 (Immediately)

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
identified with supply chain management	<p>the panel of suppliers created by the municipality no three quotations were obtained as they were evaluated using functionality on the inclusion to the panel of suppliers and the criteria for the awarding of transaction is in some instances was not stipulated by the adjudication committee:</p> <p>Transactions with no three written quotations were attached</p> <p>No proof that transactions were advertised for a minimum of 7 days and that the PPPFA evaluation system was applied on the awarding of the following transactions</p> <p>No declaration of interest could be obtained for the suppliers</p>	<p>the findings, the matter will be investigated, and the annual financial statements accordingly adjusted</p>		
ISS.107-CAF 86: Supply chain management: Issues	<p>The contracts were extended and there is no proof that the extensions were tabled to Council</p>	<p>All contracts that were extended without Council approval will be identified and reported as such.</p>	<p>Chief Financial Officer/Manager SCM</p>	<p>31 May 2019</p>

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
identified with the contract management	The contracts were not prepared fully in terms of the general conditions of contracts			
	The contracts do not have clause for termination when the is non or underperforming and dispute resolution procedures between the municipality and the supplier			
	The total payments paid to the following contracts is above the contract amount and above 15% and there was no proof submitted that the variances were tabled to council			
	The contracts do not have clause for dispute resolution procedures between the municipality and the supply:			
	The contract between the Thabo Mofutsanyana District Municipality and OS Holding was not signed by the supplier and by the municipal manager			

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	There no contract monitoring reports for the contracts to prove that these contracts were monitored on monthly basis			
ISS.110-CAF 89: Contract management - Variations to a contract not approved by the accounting officer	There overpayments made to the following contracts were not approved by the accounting officer. There were no appropriate controls over contract management	There were two contracts from for the same supplier, a journal entry will be passed to apportion the expenses from the overpaid one to the dormant one.	Chief Financial Officer/Manager SCM	31 March 2019
ISS.22-CAF 17: Inconsistencies between the IDP & SDBIP	Performance indicators from the Integrated Development Plan under section 1 could not be linked to an indicator on the SDBIP;	Performance indicators from the Integrated Development Plan will be those on the SDBIP	Manager IDP and PMS	30 June 2019
ISS.66-CAF 60: Payable:Fleet Management amount discrepancy	The amount recognized as a fleet management payable does not agree to the supporting documentation provided	Management will confirm the completeness of the outstanding balance disclosed on the fleet management statement and reconciling items will be investigated and correct balance will be restated on the Annual Financial statement	Chief Financial Officer/Manager Finance	30 June 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	Recorded Payable: Statement Amount: Difference 1 053 851.00 1 337 324.09 (283 473.09)			
ISS.69-CAF 71: Limitation over supporting documentation requested for Caseware Journals	Supporting documentation has not been provided for all Caseware journals processed, despite a request for information no. 33 and 65 having been sent on 2018/10/19 and 2018/11/01 respectively, where more than 3 days elapsed. Management did not provide supporting evidence to support the journals processed for some of the transactions in the individual components	The Annual Financial Statements, annexures are supporting evidence management will however put references in future to assist auditors confirm journals.	Chief Financial Officer/Manager Finance	30 June 2019
ISS.70-CAF 62: No controls in place over the preparation, review & approval of caseware journals	It has been established that there is no documentation prepared when processing caseware journals in order to have a trail of the preparer, reasons for making a journal, review and authorization thereon. therefore, it cannot be determined that journals made in preparation of the annual financial statements were authorized	Supporting documentation was not separately prepared, the Annual Financial Statement Caseware journals are prepared by the Financial Accountant and Manager Finance reviews the journals and the chief financial officer reviews the Annual Financial Statements, we then prepare supporting annexures as part of the audit file, we will however in future keep a file of	Chief Financial Officer/Manager Finance	30 June 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		caseware journals and relating supporting evidence.		
ISS.109-CAF 87: Issues identified with payables	Request for information no.84 was issued requesting supporting documentation for transactions made after year end, to date this information was not submitted for audit	Management provided the requested evidence, auditors were able to test subsequent transactions, this evidence will be made available for auditors again.	Chief Financial Officer/Manager Finance	28 February 2019
ISS.61-CAF 54: Payments representing reimbursemen t of which no reimbursemen t policy exists	It was noted that the municipality is paying staff reimbursements, however, the municipality does not have a policy in place for payments of staff reimbursements	Management have included reimbursements on its latest approved Supply Chain Management policy, this policy was however been adopted from 1 st July 2018, the 2018/19 reimbursements are inline with the SCM policy.	Chief Financial Officer/Manager Finance	01 July 2018
ISS.113-CAF 91: Cash flow Statement Differences	Cash flow calculations were reperformed and the differences were identified	Management adjusted the annual financial statements, issues identified by auditor general will be investigated and necessary changes will be amended accordingly.	Chief Financial Officer/Manager Finance	30 June 2019
ISS.102-CAF 83: Operating lease commitments: Daily tariff and contract date	The daily tariff of the government garage vehicles below cannot be confirmed from the inspection of the contract as there is no indication as to how the daily tariff is to be determined	The Free State Fleet Management Entity will be approached to rectify the lease agreement	Director Corporate Services	28 February 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>The contract with Free State Fleet Management Trading Entity was signed on the 30th of September 2016 but the contract does not state the effective date of the lease and the duration of the lease. Therefore, the lease term of the lease agreement cannot be confirmed.</p>			
<p>ISS.64-CAF 57: Contingencies - Completeness Issues identified</p>	<p>Confirmed that the following contingent liability in the correspondence was not disclosed in the financial statements.</p> <p>1. Sunli Narian - R900 000 legal fees</p> <p>Differences of R13 928 644,61 was identified between the amount disclosed in the current year annual financial statements of R54 361 155,00 and the amount in the litigations register of R40 432 501,39.</p>	<p>Management will amend AFS on contingencies with the confirmed figures</p>	<p>Chief Financial Officer/Director Corporate Services/Manager Finance</p>	<p>30 June 2019</p>

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.4-CAF 1: HR Management: Vacancies	<p>During the planning phase of the audit, it was identified that the position of Director: Community Services has been vacant for 18 months as at year end and the positions for Director: Technical Service and Director: Local Economic Development have never been filled.</p> <p>Furthermore, no advertisement has been made for the aforementioned posts. It has also been established that the municipality possesses a concerning overall vacancy rate of 46.73% and a senior management vacancy rate of 50%</p>	<p>Management will implement effective HR Management in all instances to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored.</p> <p>Management will table a report to Council for the approval to be granted for the filling of the critical posts. Posts that are not critical will be removed from the approved organizational structure.</p>	Municipal Manager/Director Corporate Services	31 January 2019
ISS.7-CAF 12: Payroll - Deficiencies of the approvals on the system	<p>During the planning, it was identified that:</p> <p>1. The payroll officer and senior payroll officer have access to add new employees on the payroll system and the added employee can receive remuneration without final approval from the financial manager on the system.</p>	<p>Management has addressed the matter with the system vendor, proper segregation of duties has been put in place.</p>	Chief Financial Officer/Manager Finance	30 November 2018

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>2.The financial manager has the access to add new employees on the payroll system even though he is supposed to have powers for final approval of the employees added on the system.</p>			
<p>ISS.59-CAF 70: Employee cost: Limitation of scope on the private use of municipal vehicles</p>	<p>Based on paragraph 16 of the Ministerial Determination the use of a municipal vehicle by a municipal councillor for private purposes, which results in the councillor's remuneration exceeding the agreed to total remuneration package, must be regarded as irregular expenditure and recovered from the councillor. Such expenditure may not be written off.</p> <p>the private use of a mayoral vehicle during this period may result in the upper limits of the total agreed to remuneration package of the mayor being exceeded without it being regarded as irregular expenditure in the hands of the municipality.</p>	<p>Municipality will develop a policy for use of municipal vehicles by the Executive Mayor and Speaker</p>	<p>Director Corporate Services</p>	<p>31 March 2019</p>

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	It was further identified that the municipality does not have sufficient policies in place for the use of municipal motor vehicles i.e. the municipality does not have an official log kept for the kilometres for private and official purposes.			
ISS.76-CAF 76: Overpayments made to Councillors	It has been established that the councillors were overpaid	Management had disclosed the agreed upon irregular expenditure on the Annual Financial statement amounting to R23 741.45. Councillor consent was engaged, and commitment letter will be submitted	Chief Financial Officer	28 February 2019
ISS.77-CAF 26: ISA - Deficiencies noted in the management of antivirus solution	<p>The antivirus dashboard report provided for audit did not show all the workstations and servers connected to the municipal network. The report showed only 24 workstations whereas the number of computer users shown on the report drawn from the active directory was far more.</p> <p>Therefore, we could not determine whether all workstations and servers were protected with antivirus solution.</p>	<p>All the workstations have antivirus solution installed. Those that are not appearing on the Server Manager were deployed manually due to auto deployment issues. Manually deployed clients will be re-installed to link with the Antivirus server.</p>	Manager ICT	30 January 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p><input type="checkbox"/> Evidence of the version of the antivirus server deployed as well as the corresponding antivirus client was not provided.</p> <p><input type="checkbox"/> Evidence of the last update of the antivirus signature was also not provided</p> <p><input type="checkbox"/> Although there was evidence that the IT manager reported on the antivirus exceptions to the SDIB committee on a quarterly basis, this was not a requirement in the IT security policy to ensure consistent implementation</p> <p>Unless ICT keeps constant track of the performance of the antivirus solution it may not be possible</p> <p>to identify security threats before they materialized. It may also not be possible to identify</p> <p>vulnerable computers before they are infected</p>			

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	The antivirus server version was not provided upon request and therefore the 5 days to provide evidence lapsed			
ISS.78-CAF 26: ISA - Deficiencies in the patch management process	<p>The security patch management procedure was not adequately designed as it did not provide details in respect of what needs to be done when there is a need to patch, who is responsible for identifying a need and how should it be identified. Furthermore, the patch management process was not automated.</p> <p><input type="checkbox"/> Procedures that do not give precise instruction may not be correctly and consistently implemented.</p> <p><input type="checkbox"/> Manual patch management process could be tedious and least accurate as it could be difficult to keep constant track of patches and to ensure that every device that needs to be patched is patched.</p>	<p>The patch management procedures are defined in paragraph 4.5 under Patch Management Policy outlining how the patches are to be processed. The adequate design of the procedures is disagreed upon. The outstanding part of the implementation of the policy is on paragraph 4.2.2 i.e. The deployment of patch management tool.</p>	Manager ICT	30 May 2019
ISS.79-CAF 26: ISA - Failed login attempt to IT	The document named policies and procedures which was made available for audit required user account that was blocked or suspended due to failed	A review of failed logon attempts will be performed	Manager ICT	30 May 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
systems was not investigated	login attempts to be investigated to verify if the user ID was authorized to access the account. However, the document did not specify how often should the investigations take place and who should initiate or conduct them. Furthermore, there was no evidence of the investigation that had occurred in this financial year.			
ISS.80-CAF 26: ISA - The password parameter settings were inadequate and inconsistent	The password parameter settings were inadequately designed and inconsistently implemented across the platforms	The password policy will be implemented according to the stipulations of the policy across all the systems	Manager ICT	30 May 2019
ISS.82-CAF 26: ISA - Insecure management of the firewall	The firewall procedure was insufficiently designed as it did not explain the following control activities; <input type="checkbox"/> How firewall rules should be requested and approved before they are implemented.	The firewall policy will be updated to comprehensively in line with the recommendations	Manager ICT	30 June 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p><input type="checkbox"/> The activities that should be logged and how firewall logs should be monitored and maintained.</p> <p><input type="checkbox"/> When the firewall rules should be reviewed for conformity with business requirements.</p> <p><input type="checkbox"/> How should firewall administrators be alerted of the activities that require their urgent attention</p> <p>There was no documentation which clearly described and justified the firewall rules.</p> <p><input type="checkbox"/> A list of users who were granted permission to access the firewall was not provided</p>			
ISS.83-CAF 26: ISA - Inadequate implementation of user access controls on active directory	<p>A user access request form for an account of Mr Zoula was inadequately completed as the details of the IT representative who created the account were not completed.</p> <p><input type="checkbox"/> An account of Mr MP Jacobs was created without an authorising form despite a requirement in the policy to</p>	A network management tool will be implemented to assist in enhancing the management of activities performed on the network	Manager ICT/Manager Finance/Manager HR	30 June 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>have new accounts requested and authorised via a form.</p> <p><input type="checkbox"/> An account of LL Seekane whose service to the municipality was terminated on 30 June 2018 was still active in September 2018 despite a requirement to have accounts which have not been active for 30 days disabled.</p> <p><input type="checkbox"/> Activities performed with privilege accounts were not monitored despite a requirement in the access control policy to have the activities monitored by the senior IT manager.</p> <p><input type="checkbox"/> Access to information which is granted without following procedures exposes information to authorised access which might compromise the integrity of data.</p> <p><input type="checkbox"/> If accounts- owned by employees who have left the municipality are not disabled on the last day of service, they could be subjected to misuse by individuals who happen to know the passwords.</p>			

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<input type="checkbox"/> Privilege access of administrators allows override of controls. If activities performed with privilege accesses are not monitored by an independent person unauthorised activity might remain indefinitely undetected			
ISS.84-CAF 26: ISA - There were generic user accounts which were linked to users	<p>User accounts not linked to the users to facilitate accountability for activities performed were identified on the Active Directory, Sage evolution and AMS 360.</p>	<p>The generic account on the AD system generated to enable services linked to server roles activated to function. Those accounts are not linked to individual users, thus can't be utilised, are strictly for system performance optimisation. The admin accounts mentioned are strictly for installation and configuration, this is standard for systems development</p>	Manager ICT	To be tested in the next audit by AG 31 July 2019
ISS.85-CAF 26: ISA - Evidence not submitted for audit	<p>The following audit evidence was requested however, it was not provided</p> <ul style="list-style-type: none"> <input type="checkbox"/> System generated logs of password that were reset <input type="checkbox"/> A report of user functions that were modified <input type="checkbox"/> A list of active users on People 300 and IEMAS to test existence of generic 	<p>The systems configs will be modified to enable the extraction of information requested</p>	Manager ICT	30 May 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>accounts and accounts owned by employees who had left the municipality.</p> <p><input type="checkbox"/> The user access request forms for accounts created on Sage Evolution in this financial year.</p> <p><input type="checkbox"/> Lack of the information requested for audit could suggest that the implementation of the controls embodied in user access policy is not monitored as the information requested for audit is the same information that should have been used to monitor implementation of access controls.</p> <p><input type="checkbox"/> Lack of monitoring of implementation of controls could imply that resources invested in developing controls were wasted if management fails to ensure that they serve the purposed for which they were developed.</p>			
ISS.86-CAF 26: ISA - Non-compliance with user access policy	<p>The requirements of user access policy were not met in the following instances;</p> <p><input type="checkbox"/> Activities performed with system administrators' accounts on IEMAS, SAGE evolution, People 300 and</p>	User reviews that is currently in use will be modified to include the outstanding factors	Manager ICT	30 January 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>AMS360 were not reviewed by an independent person to detect activities that were not properly authorised.</p> <p><input type="checkbox"/> Periodic reviews of user access rights on 300 and AMS360 were not performed to identify user access which is not aligned with the duties of the users.</p> <p><input type="checkbox"/> Periodic reviews of user access on IEMAS were reportedly performed on quarterly basis however, presented for audit was evidence of only one quarter.</p> <p><input type="checkbox"/> A report used to review user access rights on Sage Evolution did not show user access rights.</p> <ul style="list-style-type: none"> Administrators have access to override controls, if their activities are not monitored <p>unauthorised activities may not be detected for investigation.</p> <ul style="list-style-type: none"> Access rights which are escalated without proper authorisation may not be detected unless 			

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	the reviews of access rights for compatibility with the responsibilities are conducted from time to time.			
ISS.87-CAF 26: ISA - Program change management policy was not adequately designed	<p>The program change management policy did not address</p> <ul style="list-style-type: none"> <input type="checkbox"/> how program change requests should be raised and approved. <input type="checkbox"/> who should be responsible for developing, testing and deploying program changes. <p>Furthermore, evidence of program changes deployed into AMS360 and IEMAS production in this financial year was not produced upon request.</p> <p>Informal processes that are not guided by policies and procedure approved by management give</p> <p>IT users a leeway to apply controls discretionary and inconsistently, which might compromise the integrity of data.</p>	The policy will be updated accordingly in line with the recommendations.	Manager ICT	30 June 2019

Finding of Audit Comm	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS-88-CAF 26: ISA - The disaster recovery plan was outdated	<p>The disaster recovery plan (DRP) was not updated with changes that had taken place since the implementation of new applications, People 300 and SAGE Evolution.</p> <p>It still made reference to old applications, VIP and E-venues.</p> <p>Without an updated disaster recovery plan that has been subjected to rigorous testing the municipality can never be certain that business operations can be restored without delays should a disaster strike.</p>	The DRP will be reviewed to update the changes in the systems	Manager ICT	30 June 2019
ISS-89-CAF 26: ISA - The backup procedure was not updated	The backup procedure had not been updated as it made reference to the old back up software which had been replaced. It also did not indicate critical data that should be included in the backups Without an up to date backup procedure which is fully and consistently implemented the municipality might not be backing up all critical data required to efficiently restore operations after a disaster.	The DRP will be reviewed to update the changes in the systems.	Manager ICT	30 June 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.90-CAF 26: ISA - Inadequate implementation of backup procedure	<p>Evidence confirming that data backups were consistently taken throughout the year was not provided. There was evidence only for a month of September 2018.</p> <p><input type="checkbox"/> Data backups were not stored off-site</p> <p><input type="checkbox"/> There was also no evidence of backup tested for restoration to determine whether the data stored would be available when needed.</p> <p>Should the municipality need to retrieve data to restore operations after a disaster, data may not be available if data tapes are not tested for restoration to identify tapes which are damaged and data tapes are stored in the same building as the servers.</p>	<p>The backup software was changed after the review of the policies; this was necessitated by technological advancements. This resulted in losing the archived logs for the old system. The policy will be reviewed to accommodate changes.</p>	Manager ICT	28 February 2019
ISS.91-CAF 26: ISA - Physical and environmental controls were inadequate	<p>A visitors' register for the server room was not completed by the visitors as it only showed the dates of the visits and signatures of IT personnel.</p> <p><input type="checkbox"/> There was no maintenance record of the server room equipment</p>	<p>The service plan for server room maintenance will be developed for implementation</p>	Manager ICT	30 June 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p><input type="checkbox"/> insufficient completion of the visitors' record may result to not being able to hold visitors accountable for activities that disrupt smooth operation of the IT systems.</p> <p><input type="checkbox"/> If the server room equipment is not maintained equipment no longer in good condition cannot be identified before it breaks down.</p>			
ISS.92-CAF 26: ISA - Vacant positions in ICT had still not been filled	<p>Positions of an application developer and infrastructure supporter were still vacant. The responsibilities for the two positions were added to the responsibilities of the system administrator and IT manager. The finding was also reported in the past years.</p> <p>Combining responsibilities that should be kept separate conceals and perpetuates unauthorized activities due to lack of oversight and independent review.</p>	Budgetary constraints	Municipal Manager/Manager ICT	30 June 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.93-CAF 26: ISA - The Service Level Agreement between the municipality and OS Holding was not submitted	<p>The service level agreement (SLA) for the support of the financial, human resource and asset applications was not provided upon request.</p> <p>Without a documented SLA which is signed by both parties, the municipality may have difficulty holding the service provider accountable for breaching an oral agreement.</p>	The SLA is in a process of being signed.	Municipal Manager/Manager ICT	30 June 2019
ISS.8-CAF 4: Internal audit: No external quality assurance review/assessment performed	No evidence could be provided that an external quality assurance review/assessment of the internal audit unit was performed by a qualified independent reviewer from outside the Organization.	<p>Management will ensure that an external Quality Assurance review of the internal audit function is done by a qualified independent reviewer, however there is still no funds for this current financial year 2018/2019 to perform such activity.</p> <p>management planned to put such funds in a new budget that will be approved on 31 May 2019. Quality Improvement Assurance Programme was developed, properly reviewed, approved and adopted by Audit and Performance Committee and Council on 13 July 2018 and 31 July 2018 respectively. However, the QIAP is not yet implemented fully due to financial constraints.</p>	Municipal Manager/Manager Internal Audit	30 September 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.28-CAF 36: Internal audit: The internal audit plan was not achieved	The internal audit unit did not achieve all the audit engagements that were planned on the 2017/18 internal audit plan.	<p>Agree with the finding that the audit of Supply Chain Management was not done, however the registry management was not on the Internal Audit annual coverage plan 2017/2018 it was also indicated as part of deficit in terms of manhours.</p> <p>Supply chain management was conducted till the execution stage by the late Internal Audit we could not conclude and issue report, however there is a deficiency on the side of management by not submitting requested information or management responses within indicated timeframe. Agree with the deficiency, however the municipality has appointed Temporary Internal Audit and Internal Audit Intern as from 01 September 2018 and 10 September 2018 respectively to capacitate internal audit in for human resources capacity to ensure planned activities are completed on time.</p>	Manager Internal Audit	01 and 10 September 2018 (Appointments) 30 June 2019 (Completion of Internal audit plan)

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
<p>ISS.12-CAF 8: Consequence management: Disciplinary board</p>	<p>There is no council resolution for the establishment of the Disciplinary board.</p> <p>The disciplinary board was appointed by the Municipal manager</p> <p>This will result in non-compliance with Municipal Regulations on financial misconduct procedures and criminal procedures</p>	<p>Municipal Manager recommended the following candidates to be appointed by the Council and the letters were sent to those candidates on 08 June 2018 for acknowledgement and acceptance:</p> <p>Mr M K Mojatau (Chairperson of Audit and Performance Committee)</p> <p>Mr J W Nhlapo (Manager Internal Audit)</p> <p>Mr S K Khote (Director Corporate Services: Legal services) and where necessary</p> <p>National Treasury or Provincial Treasury representative</p> <p>The delay for Council to appoint was cause by the misunderstanding of the roles and responsibilities of the Committee by both Internal Audit and Audit Committee members as might hamper their independency, but Provincial Treasury held a workshop on the 06 July</p>	Municipal Manager/Director Corporate Services	31 March 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		<p>2018 in the presence of National Treasury, clarifying those roles hence the acceptance by the candidates to be members of this Board. The Municipality is in the process of submitting suggested candidates to serve in the Disciplinary Board on Financial Misconduct to the Council to be properly appointed as a Board member. Establishment of Disciplinary Board on Financial Misconduct will be made in the next Council meeting because recommended candidates have accepted the nomination as they were made in terms of Municipal Regulations on financial misconduct procedures and criminal procedures</p>		
<p>ISS.25-CAF 35: Conditional grant: No approved roll over on unspent conditional grant</p>	<p>The municipality did not apply for the roll-over nor surrender the unspent conditional grant of R25 800.00 on Expanded public works programme integrated grant disclosed under note 11 of the 2017/18 annual financial statements. Management asserted that it was too late to apply for roll-over when they</p>	<p>Management will review and monitor compliance with applicable laws and regulations. National Treasury has deducted unspent grant from the second trench of grants received.</p>	Chief Financial Officer/Manager Transport and Infrastructure	03 December 2018

Comm Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
and the unspent was not surrendered to treasury	realize that there will be an under spending on the Expanded public works programme integrated grant			
ISS.60-CAF 69: Irregular expenditure relating to 2016/17 financial year recognized in the 2017/18 financial year	Noted during the audit of irregular expenditure, the irregular expenditure transactions relating to the 2016/17 financial were recognized in the 2017/18 financial year.	Management have correctly disclosed irregular expenditure in terms of MFMA and National treasury circular 68 confirms that municipality complied with GRAP and provided guidelines.	Chief Financial Officer/Manager Finance	30 November 2018
ISS.6-CAF 24: Inadequate risk assessment processes	The following risks were identified during the audit process and these risks were not identified by the municipality's risk assessment process. <input type="checkbox"/> Risk of management override of controls – this is based on the fact that municipality has reported various fraud cases which were all caused by the override of controls at the municipality, furthermore, there were risks identified by the internal audit in relation to	The risk register will be reviewed and updated with the risks identified by the auditor.	Risk Manager	09 November 2018 (Immediately)

Gamma Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>payment voucher not properly approved by the CFO.</p> <p><input type="checkbox"/> Risk that the integrity of management is compromised – this is based on the fact that the HR manager fraudulently committed the fraud and forged the signature of the Municipal Manager.</p>			
<p>ISS.13-CAF 13: Property, plant and equipment: Could not verify that the asset count was performed</p>	<p>no evidence was provided by management in order to determine that an asset count was performed at year end.</p>	<p>Management will ensure that they support the fixed asset count, by keeping sufficient corroborative supporting evidence for auditors.</p>	<p>Manager Finance/Manager SCM</p>	<p>30 June 2019</p>
<p>ISS.23-CAF 19: Property, plant and equipment - Incorrect depreciation figure</p>	<p>During the testing performed on property, plant and equipment (PPE) the following was identified:</p> <p>1. a recalculation of the depreciation amount was done and the following difference was identified (Annexure A):</p> <p>Depreciation for the period (PPE excluding SMME assets) R 3 432</p>	<p>Management was able to resolve differences mentioned on the finding auditors requested that minutes be provided that management discussed possible impairment of assets and that depreciation of disposed asset be adjusted, the remaining issues from the difference identified of R12 866.66 on depreciation calculation.</p>	<p>Chief Financial Officer/Manager Finance</p>	<p>30 April 2019</p>

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	<p>644,42 Recalculated depreciation R 2 649 264,01 Difference (overstated) R 783 380,41</p> <p>2. PPE with a total carrying amount of R736 876,99 have been used for more than their useful lives and depreciation is not provided for in the current period. Therefore, the accumulated depreciation is understated by R736 876,99 and assets are overstated by R736 876,99. (Annexure B).</p> <p>Furthermore, this issue highlights the fact that the municipality has not been assessing the expected useful lives of the assets at each reporting date as required by GRAP.</p> <p>3. There were assets identified to be of poor and very poor condition in the asset register. There is therefore no indication on whether the municipality has considered the impairment on these assets. These assets amount to R84 509,84. (Annexure C)</p> <p>4. The SMME equipment depreciation cannot be confirmed as the asset register does not have the relevant information to confirm the depreciated</p>			

Control Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	amount for the year. Total depreciation: R35 715,26			
ISS.31-CAF 30: Property, plant and equipment- Completeness	The assets with the barcodes were haphazardly selected from the main building and MAYCO building offices and were not recorded in the asset register of the municipality.	Management will regularly perform asset verifications to ensure that all the assets of the municipality are included in the asset register	Manager Finance/Manager SCM	31 May 2019
ISS.32-CAF 31: Property, plant and equipment - Existence	The assets could not be confirmed for existence as they were not in the location (room code) stated in the asset register upon verification date.	Management will ensure that assets custodians sign assets removal forms	Manager Finance/Manager SCM	Daily (on going)
ISS.81-CAF 73: Property, plant and equipment - Cost for the additions does not agree to the invoice	The additions in property, plant and equipment were audited and there was a difference identified between the cost price in the invoice compared to the cost price included in the asset register	Management have supporting calculations to support the cost capitalized from all additions and the vat amount was the only difference noted, this will be restated on the annual financial statement.	Manager Finance/Manager SCM	31 March 2019
ISS.34-CAF 40: Travel and subsistence - (Amount as per GL does	During the audit of Travel and subsistence it was noted that the amount disclosed as per the general ledger is different from the amount as per invoice	Management will ensure that service fees and accommodation on travel invoices are recorded consistently on the general ledger.	Chief Financial Officer/Manager Finance	31 March 2019

Comm of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
not agree to invoice Amount- Accuracy)				
ISS.35-CAF 41: Travel and Subsistence (Classification)	It was identified that the municipality has incurred an amount of R32712,00 which is disclosed as part of travel and subsistence even though the transaction relates to transportation costs.	Management will investigate the whole population and adjust the Annual financial statement appropriately	Chief Financial Officer/Manager Finance	30 November 2018
ISS.72-CAF 63: Repairs and Maintenance (Occurrence- Overstatement)	Management could not provide supporting documentation such as a payment approval form of any sort to corroborate that goods and services were received and this expenditure occurred.	Approval forms for office automation invoices are being attached on payment voucher in the current financial prove as evidence that goods and services are received in order.	Manager Finance/Director Corporate Services	31 March 2019
ISS.73-CAF 65: Expenditure - Repairs and maintenance - Classification issues identified	It was identified that the municipality has incurred cost to repairs and maintenance which is disclosed as part of expenditure instated of printing and stationary also an addition of assets with the purchase of the Jojo tanks	Management will go through entire population and disclose usage charges as stationary as requested by the auditor general.	Chief Financial Officer/Manager Finance	31 May 2019

Co m m u n i t y o f A u d i t F i n d i n g	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.21-CAF 16: Payables: Creditors with debit balances	It has been identified that the accounts payable age analysis includes parties with positive balances as at year end	Management has adjusted the financials and all debit balances have been correctly disclosed under trade receivables, management are also monitoring the creditors listing on a monthly to ensure that trade payables are correctly accounted for on the Financial system.	Chief Financial Officer/Manager Finance	31 May 2019
ISS.26-CAF 22: Payables: No monthly creditors reconciliations performed	It was identified that the municipality does not perform monthly creditors reconciliations for the monthly creditors	Management will ensure that creditors reconciliation are prepared and payable balances will be confirmed for creditors that don't have statements.	Chief Financial Officer/Manager Finance	30 June 2019
ISS.29-CAF 25: Leave Provision Discrepancies	Discrepancies have been identified over the computation of the accrued leave provision	Management will ensure that the leave balances are properly recorded to indicate correct leave credits.	Manager Finance/Director Corporate Services	31 May 2019
ISS.30-CAF 28: Payables) Councilors' under payment misstatement	It has been established that an amount under note 10 of the financial statements has been disclosed- councilors under payments, which does not have underlying supporting documentation.	Management adjusted the councilors payable balance, debtors listing agreeing the balance is available.	Chief Financial Officer/Manager Finance	31 January 2019

Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	An adjustment was made by management, however, there was no supporting schedule provided for the adjustment made as the full amount of R729 842 was not adjusted for			
ISS.36-CAF 29: Discrepancies within the bonus provision	Discrepancies have been identified over the computation of the accrued bonus provision	Management will ensure that date on employees initial engagement date in the employee file correspond with VIP300 system agrees	Manager Finance/Director Corporate Services	31 May 2019
ISS.47-CAF 33: Payables Limitation- No employment contracts in place	A request for information no.48 was issued requesting employment contracts and employment contracts of the employees was not submitted for audit:	Appointment letters for Me Motsemme, Mr Mphalele and Me Ngobese were not found. Management will ensure that these appointment letters found.	Director Corporate Services	31 March 2019
ISS.49-CAF 42: Limitation over supporting documentation requested for Payables	Supporting documentation has not been provided as detailed below for respective RFIs relating to payables	Management will ensure that the remaining unverified balances are confirmed with third parties were possible, these are long outstanding creditors from prior years.	Director Corporate Services/Manager Finance	30 June 2019
ISS.65-CAF 56: Trade Payables}	Discrepancies have been identified between management's records (creditors listing & age analysis) and	Management will ensure that the mentioned schedules agree and reconciling items between supplier	Chief Financial Officer/Manager Finance	31 May 2019


Comm. Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
Discrepancies between schedules and supporting documentation provided	supporting documentation provided (supplier statements and invoices) for the items	statement and creditors age listing are investigated and agreed with suppliers.		
ISS-100-CAF 80: Trade Payables} Discrepancies between recorded payables and external confirmations	Discrepancies have been identified between management's records (creditors listing & age analysis) and external confirmations made by the suppliers for the items	Management will ensure that the mentioned schedules agree and reconciling items between supplier statement and creditors age listing are investigated and agreed with suppliers	Chief Financial Officer/Manager Finance	31 May 2019
ISS-38-CAF 43: AoPO} Indicators for prioritised core functions excluded from the final SDBIP	It has been established that the following indicators that relate to prioritized core functions or development priorities as set out in the municipality's Integrated Development Plan for the current period under review have been excluded from the municipality's service delivery and budget implementation plan.	Effective oversight responsibilities will be conducted to ensure that requirements from the applicable laws and regulations are complied with.	Manager IDP and PMS	30 June 2019

Comm Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.19-CAF 23: Supply chain management: Business with person employed in the state	It was identified that the municipality made a transaction with the service provider below and a full-time council member has an interest in the service provider. Furthermore, no declaration of interest was obtained to determine the service provider declared the interest or the council member declared the interest.	Management will ensure that all officials and councillors sign declaration of interest forms will be properly kept and maintained.	Chief Financial Officer/Director Corporate Services	1 December 2018
ISS.46-CAF 34: Employee benefits obligation- classification	The municipality has two employee benefit obligations, which are: -Post-retirement health care benefits and -Long-service awards	Management will prepare a correcting adjustment journal on the annual financial statement	Chief Financial Officer/Manager Finance	30 November 2018 (Immediately)
ISS.48-CAF 37: Employee Benefits obligation- accuracy, valuation and allocation	It was identified a journal recognized below was processed, however, the amount of the journal processed is not accurate as this amount includes the benefit payments paid in the current year which should not be included as the current year expenditure.	Management will ensure that employee benefit obligation is correctly disclosed.	Chief Financial Officer/Manager Finance	30 June 2019

Comm Finding of Audit	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.11-CAF 18: Interest Not Charged on Receivables (Understatement)	The municipality did not charge interest on outstanding debtors for the year under review.	Management will ensure that credit policy is implemented during the new financial period.	Chief Financial Officer/Manager Finance	30 June 2019
ISS.104-CAF 84: Receivable- Impairment calculation and write-off	<p>An amount of R304 143.37 of amount payable has been included in the current year's impairment calculation at year end. The said amount was written-off under receivables in the current year and is not included in the debtors listing.</p> <p>Furthermore, the amount of the receivable was written-off to accumulated deficit; as presented below and not through the statement of financial performance</p> <p>Management did not receive approval from council to write-off the R304 143.37</p>	<p>Management to ensure that this amount is excluded from the impairment calculation during preparation of the annual financial statement.</p>	Chief Financial Officer/Manager Finance	31 May 2019

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.54-CAF 47: Related Party: Declaration of interest (Scope limitation)	No information has been submitted relating to request for information 52 of 2018 issued on 24 October 2018. The requested information was all the declaration of interest of councillors of the municipality who were serving as Councillors during the 2017/18 financial year.	Declaration of interest forms will be filled for all councillors for 2018/2019	Director Corporate Services	31 December 2018

SUBMITTED BY


 M S T P M LEBENYA
 MUNICIPAL MANAGER

DATE: 29-01-2019

AUDITOR GENERAL REPORT ON AUDIT AS AT 30 JUNE 2019

Report of the auditor-general to the Free State Legislature and the council on the Thabo Mofutsanyana District Municipality

Opinion

1. I have audited the financial statements of the Thabo Mofutsanyana District Municipality set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Thabo Mofutsanyana District Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

3. I conducted my audit in _____ with _____ s). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to going concern

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. Note 29 to the financial statements indicates that the municipality's current liabilities exceeded its current assets by R1 878 647 as at 30 June 2019 and the municipality has a possible obligation of R36 000 000 pending a court ruling. These events or conditions, along with other matters as set forth in note 29, indicate that a material uncertainty exists that may cast significant doubt on the municipality's ability to continue _____ going concern

Emphasis of matters

8. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Irregular expenditure

9. As disclosed in note 32 to the financial statements, the municipality incurred irregular expenditure of R17 022 948 (2018: R13 973 588) due to non-compliance with supply chain management (SCM) requirements. In addition, the full extent of irregular expenditure is still being determined.

Material impairment

10. As disclosed in notes 4 and 5 to the financial statements, receivables from exchange and receivable from non-exchange transactions were impaired by R3 641 795 (2018: R2 561 287).

Restatement of corresponding figures

11. As disclosed in note 42 to the financial statements, the corresponding figures for 30 June 2018 were restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

Material uncertainty relating to claims against the municipality

12. With reference to note 26 to the financial statements, the municipality is the defendant in various claims against it. The municipality is opposing these claims. The ultimate outcome of these matters could not be determined and no provision made in the financial statements.

Other matters

13. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited disclosure notes

14. is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, do not express an opinion thereon.

Unaudited supplementary schedules

15. The supplementary information set out on pages XX to XX does not form part of the financial statements and is presented as additional information. have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

16. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

- 17 In preparing the financial statements, the accounting officer is responsible for assessing the Thabo Mofutsanyana District Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

18. My objectives are to obtain reasonable assurance about whether the financial statements whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
19. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

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Introduction and scope

20. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for the selected key performance area (KPA) presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
21. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators/ measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
22. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected KPA presented in the annual performance report of the municipality for the year ended 30 June 2019:

	Pages in the annual performance report
KPA 1 – basic service delivery	

23. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
24. The material findings in respect of the usefulness and reliability of the selected KPA are as follows:

KPA 1 – basic service delivery

Number of water samples taken

25. was unable to obtain sufficient appropriate audit evidence for the reported achievement of number of water samples taken. This was due to the municipality not maintaining an adequate record keeping system to enable reliable reporting. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 434 samples as reported in the annual performance report.
26. I was unable to obtain sufficient appropriate evidence to support the measures taken to improve performance against the target for Mantsopa of 48 samples as reported in the annual performance report. This was due to limitations placed on the scope of my work. I was unable to confirm the reported measures taken by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported measures taken to improve performance:

Other matter

27. I draw attention to the matter below.

Achievement of planned targets

28. to the annual performance report on pages x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 25 to 26 of this report.

Adjustment of material misstatements

29. identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 1 – Basic service delivery. As management subsequently corrected only some of the misstatements, raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Introduction and scope

30. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

31. The material findings on compliance with specific matters in key legislations are as follows:

Expenditure management

32. Reasonable steps were not taken to prevent irregular expenditure, as required by section 62(1)(d) of the MFMA. The value of R17 022 948, as disclosed in note 32, is not complete as management was still in the process of quantifying the full extent of the irregular expenditure. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations.

33. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R105 692, disclosed in note 33 to the financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest and penalties incurred on late payments.

Human resource management

34. Appropriate systems and procedures to monitor, measure and evaluate staff performance were not developed and adopted, as required by section 27 of the Public Service Systems Act of South Africa, 2000 (Act No. 32 of 2000).

Annual financial statements

35. The financial statements for the year ended 30 June 2020, in all respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of current assets, revenue and expenditure identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

36. Some goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, in contravention of SCM regulation 17(a) and (c). Similar non-compliance was also reported in the previous year.

37. Some quotations were accepted from prospective providers who were not on the list of accredited prospective providers and did not meet the listing requirements prescribed by the SCM policy, in contravention of SCM regulations 16(b) and 17(b).

38. Some quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

39. Some competitive bids were adjudicated by a bid adjudication committee that was not composed in accordance with SCM regulation 29(2). Similar non-compliance was also reported in the previous year.
40. The preference point system was not applied for some procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act of South Africa, 2000 (Act No. 5 of 2000). Similar non-compliance was also reported in the previous year.
41. Bid documentation for procuring commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8(2).
42. The performance of contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA. Similar non-compliance was also reported in the previous year.

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43. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected KPA presented in the annual performance report that has been specifically reported in this auditor's report.
44. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
45. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected KPA presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
46. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.
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47. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

48. Leadership did not always oversee compliance with legislation, as instances of non-compliance with applicable legislation reported in the previous year were also identified in the current year. This was due to lack of consequence management being implemented.
49. Leadership did not monitor the implementation of the action plan to address material weaknesses identified in the audit of performance information. A proper record management system was not implemented to record information that supported the reported performance. This was due to slow response by management and the political leadership.
50. The processes followed during the preparation and review of the annual performance report were not adequate, resulting in material misstatements being identified in the annual performance report.

Auditor General

Bloemfontein

30 November 2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected KPA and on the municipality's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Thabo Mofutsanyana District Municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However future events or conditions may cause a municipality to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

ACTION PLAN FOR THE YEAR ENDED 30 JUNE 2019 AS AT 31 JANUARY 2020

OFFICE OF THE MUNICIPAL MANAGER

REPORT ON ACTION PLAN TO ADDRESS AUDIT QUERIES / MATTERS ARISING FROM THE AUDIT REPORT AND MANAGEMENT REPORT OF THE AUDITOR-GENERAL FOR THE YEAR ENDED 30 JUNE 2019 AS AT 31 JANUARY 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	RESPONSE BY	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
<ul style="list-style-type: none"> MATTERS/S RAISED BY AUDITOR GENERAL ON MANAGEMENT REPORT FOR THE YEAR 30 JUNE 2019 					
Annual Financial Statements					
ISS.96 – Cash flow statements	COAF78: Statement of Comparison of Budget and actual amounts is not prepared for Cash Flows	Management prepared a separate comparison between the budget and actual amounts on the submitted final AFS of 30 June 2019		Chief Financial officer Manager: Finance	30 November 2019
ISS.108 - Contingent liabilities	Contingencies - Incomplete disclosure in the AFS	Management sent litigation and claims confirmation letters to our lawyers regarding possible contingent liabilities and based on feed-back received from lawyers the contingencies were correctly disclosed on the AFS as at 30 June 2019.		Director Corporate services Chief Financial officers. Manager: Finance	28 February 2020
Employee costs					
ISS.2	CoAF 6 - Human Resources: High vacancy rate and Key positions not filled within 12 months.	The position of the Director Community Service was advertised the closing date was 27 September 2019. Other positions that		Municipal Manager Director Corporate services.	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		are not critical will be removed from the approved organisational structure.		
ISS.5	CoAF 15 - Human Resources: Performance assessments were not done for senior managers all staff.	Management will implement effective internal controls in ensuring that there is a performance management system in place and initiate processes to ensure performance assessments is escalated to all employees.	Director Corporate Services	30 June 2020
ISS.54	COAF62: Employee related cost: Car allowances not paid in accordance with the S&T policy.	In 2014 travel allowance policy stated that the purchase value was determined by annual salary of an employee when calculating travel allowance, AG reformed calculations for car allowances using the policy that was in place from 2015 that stated that purchase value utilised be that of the car hence the difference noted. Travel and subsistence policy were revised, policy was submitted to municipal council and approved on 30 May 2019 council sitting.	Chief Financial Officer Director Corporate Services	31 January 2020
ISS.76	COAF64: Employee related cost: Leave redemption not calculated accurately.	Management ensures that salary daily rate is accurate before leave is paid out.	Director Corporate Service	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		Auditors did not use that correct basic salary to determine the daily rates of leave days paid out.	Chief financial Officer	
General IT controls				
ISS.9	CoAF 8 - ISA: Inadequate server room access controls	Physical Access & Environmental controls Policy will be modified to include maintenance Plan. Furthermore, budget provision has been made to service the server room equipment.	ICT Manager	30 June 2020
ISS.12	CoAF 8 - ISA: Inadequate design and implementation of IT Governance Framework	The strategy will be reviewed to outline the process of Return on Investment (ROI) and Benefits Realisation (BR) in order to determine whether benefits were realised from IT spending.	ICT Manager	30 June 2020
ISS.13	CoAF 8 - ISA: Inadequate skills development plan within the IT environment	The ICT unit submit annual Skills Development Plans for consolidation on the organizational Skills Plan.	ICT Manager	30 March 2020
ISS.14	CoAF 8 - ISA: Lack of defined procedures for the monitoring of SLAs	The municipality will insure that moving forward all SLA's have service monitoring clause as per Vendor Management Policy.	ICT Manager	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	RESPONSE BY	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.15	CoAF 8 - ISA: Inadequate design and implementation of user access management controls around Active Directory, AMS360, IEMAS, Sage evolution and 300 People	The user reviews that are being performed will include all the systems once report extraction configurations ensure proper have been completed to implementation of the policy.		ICT Manager	30 April 2020
ISS.17	CoAF 8 - ISA: Inadequate design and implementation of Disaster Recovery Plan	A service Provider will be appointed to render the Disaster Recovery Services.		ICT Manager	30 June 2020
ISS.18	CoAF 8 - ISA: Inadequate design and implementation of backup controls	Subsequent to the appointment of a service provider for Disaster Recovery services, The DR site will be used as offsite storage.		ICT Manager	30 May 2020
ISS.19	CoAF 8 - ISA: Inadequate security controls around the Information Technology (IT) environment	The finding raised doesn't detail the specific security control to be attended to. The security concerns raised are dealt with in ISS. 20 and ISS 21.		ICT Manager	30 March 2020
ISS.20	CoAF 8 - ISA: Inadequate implementation of password controls around AMS360, Sage Evolution and 300 People	Password parameter settings for Sage Evolution and 300 People have been implemented according to the policy. The system Vendor for AMS 360 will be engaged to configure password parameters		ICT Manager	30 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.21	CoAF 8 - ISA: Inadequate implementation of firewall controls	The existing firewall is managed by the service provider as per contract which is about to lapse. The recommendations will be implemented when the new Internet Service Provision contractor is appointed.	ICT Manager	30 May 2020
ISS.22	CoAF 8 - ISA: Inadequate segregation of duties in IT division due to understaffing	The management will work on properly staffing the ICT unit to insure proper segregation of duties as per job descriptions.	ICT Manager, Municipal Manager	30 June 2020
Audit committee				
ISS.4	CoAF 3 - Audit Committee: shortcomings identified with the roles and responsibilities of the AC	Audit Committee submitted an audit report on the review of the performance management system to the Council once however it covered almost the entire period. The Audit Committee report to Council will be divided half yearly and submitted twice to Council.	Audit and Performance Committee Chairperson and Manager Internal Audit	30 June 2020
Annual Report				
ISS.11	CoAF 7 - Annual Report: errors identified during review of draft Annual Report	Management responded that in terms of (MFMA S127) (2) The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal	Manager IDP	30 January 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		entity under the municipality's sole or shared control.		
ISS.31	COAF 18 - Annual Report: AR does not reflect on compliance with the prescribed minimum competency	Management responded that in terms of (MFMA S127). (2) The mayor of a municipality must, within seven months after the end of a Financial year, table in the municipal council the annual report of the municipality and of any Municipal entity under the municipality's sole or shared control.	Manager IDP	30 January 2020
Internal audit				
ISS.3	CoAF 10 - Internal audit: The Internal audit unit did not audit the 4th quarter report for performance information	The Internal Audit did audit quarter 1 to 3 performance results however Quarter 4 was not submitted by relevant department/Unit for audit to enable the audit processes to unfold properly. Agreed during our management meeting that quarter 4 performance results must be submitted to Internal Audit on time before submitted to Council	Manager IDP and PMS and Manager Internal Audit	31 July 2020
ISS.6	CoAF 5 - Internal audit: external quality assessment was not performed during 2018/19	The performance of external quality assurance has been budgeted for in the financial year 2019/2020 and the processes of procurement will unfold to advertise and appoint qualified and suitable service	Service Provider/External assistance/Audit and Performance Committee and	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		<p>provider to perform the exercise for previous past 5 consecutive financial years.</p> <p>Immediately after the receipt of external quality assurance report action plan will be prepared where intervention is required to address concerns raised will be solicited accordingly</p>	Manager Internal Audit	
Limitation				
ISS.1	CoAF 4 - Limitation of scope: Requested information not submitted for audit purpose	<p>Management was able to submit the requested information however the information was past the agreed upon three(3) days, management would also like to highlight that during the audit engagement meeting both parties agreed on extension of days agreed if there are high volumes of the requested supporting documents.</p>	<p>Chief Financial Officer</p> <p>Manager Finance</p>	30 June 2020
ISS.88	COAF69: Limitation of scope: supporting documents for Case ware Journals not provided	<p>The supporting documentation to the Case Ware journals was separately prepared and filed for auditors, there is no management override of controls during the Annual Financial Statement process, the Case Ware Journals are prepared by the Financial Accountant</p>	<p>Chief financial officer</p> <p>Manager Finance</p>	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		and Manager Finance reviews the journals and the chief financial officer approves the journals posted on Annual Financial Statements, we then prepare supporting annexures as part of the audit file for auditors.		
Control deficiencies				
ISS.7	CoAF 12 - Internal Control: Internal Control deficiencies	Management will ensure that effective process to ensure that prior year audit findings are fully addressed in a timely manner.	Municipal Manager Chief Financial Officer	30 June 2020
ISS.30	COAF 17 - Internal controls: Deficiencies identified in the SCM policy	Management will ensure that the revised SCM policy includes to what extent the municipality supports the Proudly SA Campaign.	Chief Financial Officer Manager SCM	30 May 2020
UIF				
ISS.32	COAF 19 - Consequence management: No evidence obtained the fruitless and wasteful	Management partially agree that the F&W Expenditure was never reported to MPAC during the 2017/2018 and 2018/2019 financial years. However, Management disagrees with the fact that Sec.32 should	Chief Financial Officer	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	expenditure was investigated by MPAC	<p>have been invoked before MPAC could investigate the matter to determine who is liable for the F&W Expenditure.</p> <p>The matter will be reported to MPAC for investigation and recommendation for remedial action at its next meeting.</p>	<p>Manager Finance</p> <p>Manager SCM</p>	
ISS.93	COAF91: Irregular expenditure – Completeness	Management included the irregular expenditure, with the exception of the amount relating to the remuneration of expenditure. change transactions. This amount is correctly disclosed under trade receivables from non-exchange transactions.	<p>Chief Financial Officer</p> <p>Manager Finance</p> <p>Manager SCM</p>	31 March 2020
ISS.100	COAF 84 Unauthorised expenditure - Limitations on the calculation of unauthorised expenditure due to incomplete GL	The SAGE GL including the case ware journals was submitted and the unauthorised expenditure could be calculated, therefore the issue is resolved, however was reported as a control deficiency. Management will post CaseWare Journals on the Sage system in order for GL to be complete when AFS are submitted.	<p>Chief financial officer</p> <p>Manager Finance</p>	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	RESPONSE BY	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
Prior year errors					
ISS.106	Uncorrected prior period misstatements	Management will ensure that effective process to ensure that prior year audit findings are fully addressed in a timely manner.		Chief financial officer Manager Finance	30 June 2020
AFS					
ISS.10	CoAF 2 - Financial Statements: Discrepancies identified during high level review of AFS submitted	Management will review the financial statements to ensure that both TB and GL agree with the AFS, and correct errors prior to submission for audit.		Chief financial officer Manager Finance	30 June 2020
Movable assets					
ISS.33	COAF 30 - PPE: Additions - Differences have been identified between invoice and fixed asset register amount	Management has investigated the entire addition population working paper has been prepared and the adjusting journal will be processed to correct the Annual Financial Statement and subsequently the fixed asset register will also be amended and submitted.		Chief Financial Officer SCM Manager	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.37	COAF 22 - PPE: Assets with bad condition not considered for impairment	GRAP 17 paragraph 75 states that a plan to dispose of an asset before the previously expected date is an indicator of impairment which requires the calculation of an assets recoverable amount or recoverable service amount for the purpose of determining whether the asset is impaired.	Chief Financial Officer SCM Manager	30 June 2020
ISS.52	COAF 25 - PPE: Reconciliation not performed between assets verified and the asset register	Management reconciliation performed on the fixed asset register was not separately prepared. The ams360 asset management system automatically links the verification process and the live fixed asset register. Inventory list of the verified assets is than approved in order to update changes to the fixed asset register. municipality will however strengthen the controls after an asset verification process internal controls will be implemented to ensure that sufficient audit trail is documented and filed before audit.	Chief Financial Officer SCM Manager	30 June 2020
ISS.101	COAF85: Fixed Assets: Completeness of assets could not be confirmed	Management will perform asset verifications bi-annually to ensure that all	Chief Financial Officer	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		<p>the assets of the municipality are included in the asset register.</p> <p>Management will consider impairing the assets indicated above, and proof will be kept as audit trail.</p>	SCM Manager	
Operating expenditure				
ISS.50	COAF88: General expenditure: Amount incorrectly excluded from expenditure as VAT and occurrence issue	Management will do vat adjustment on the vat 201 submission to correct the incorrect input vat claimed.	Chief Financial Officer Manager Finance	31 March 2020
ISS.60	COAF63: Contracted services: Differences identified between GL and AFS	The difference amounting to R43 637, 76 between the amount of contracted services recorded in the GL and AFS is part of Case Ware journal ADJ34 current year creditors journal, all invoices received after year end where processed through to Case Ware.	Chief Financial Officer Manager Finance	30 November 2019
ISS.69	COAF 26 - Expenditure: Occurrence of Travel and Subsistence	Approval for attendance of workshops, seminars, conferences, congresses and similar events was provided as well as proof from 3 rd party establishments.	Chief Financial Officer	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	expenditure could not be confirmed (PY)	<p>Therefore, for confirmation that the expenditure incurred pertained to municipality was available.</p> <p>Municipality will strengthen controls to ensure that names of officials and the number of days are evident on K-travel tax invoice, however 3rd party invoices municipality does not do business directly with establishment this risk control can be mitigated only.</p>	<p>Manager SCM</p> <p>Manager Finance</p>	
ISS. 73	COAF67: Motor vehicle expense: Operating lease incorrectly classified and lack of support for expenditure	<p>Municipality indicated that the submitted support is deemed sufficient by the Municipality.</p> <p>The motor vehicle expense account disclosed on the AFS has supporting external bank statement from ABSA and the tax invoices from the bank indicating the description of expenditure items debited by bank.</p>	<p>Chief Financial Officer</p> <p>Director Corporate Services</p> <p>Human Resource Manager</p>	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		Management performed reconciliation of third-party invoices however the reconciling items were not properly investigated and followed up.		
ISS.74	COAF68: Expenditure: Payments were not made within 30 days	The issues raised by auditors are between the tax invoice date and date when payment is made, auditors did not consider the received date stamp, this date is critical because that is the date the invoice reaches the relevant unit that deals with the payment process.	Chief Financial Officer Manager SCM Manager Finance	30 June 2020
ISS.78	COAF76: Expenditure: cell phone expenditure incurred without a valid contract with Vodacom	Municipality had an agreement with Nashua Mobile, migration letter from Vodacom is available indicating how the migration process affected the Municipality. Moreover, the migration to Vodacom happened in the 2014/2015 financial period, Auditor-General has since been consistent because no such finding was raised before.	Chief Financial Officer Manager Finance	29 May 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.81	COAF74: Repairs and maintenance - Classification issue	Management will re-visit the whole population and re-classify the water delivery as delivery of water on a separate financial statement line item	Chief financial Officer Manager Finance	31 March 2020
ISS.89	COAF70: Expenditure: Procured goods incorrectly recorded in the EPWP GL account	The transaction amounting to R163 000,00 was correctly classified under EPWP expenditure, the expenditure meets the conditions set out.	Chief financial Officer Manager Finance	31 March 2020
ISS.90	COAF72: Repairs and maintenance - recording of purchase orders	The purchase order recorded on the GL was already corrected on the 13th June 2019. Accounts payable transaction extract has been attached below as evidence that the purchase order was corrected.	Chief Financial Officer Manager Finance	30 November 2020
ISS.91	COAF73: Repairs and maintenance - VAT input claimed from non-vendor or non-VAT item	Management will re-visit the population and include the amount erroneously included as VAT input and VAT adjustment	Chief Financial Officer	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		will be performed to account for the output VAT to SARs	Manager Finance	
ISS.92	COAF75: Repairs and maintenance - transactions recorded in the incorrect accounting period	Management will ensure that the prior year creditors will be restated with the above-mentioned amount of R42 864,57	Chief Financial Officer Manager finance	31 March 2020
Payable				
ISS.48	COAF89: Trade and other payables - Discrepancies between schedules and supporting documentation	Through recalculating the payables amount using the remittance advice extracted from the system, it was confirmed that the amount for Fleet of R831 776.93 is accurate. Confirmation letters for creditors who do not issue supplier statements will be sent at end of financial period.	Chief financial statement Manager Finance	30 June 2020
ISS.64	COAF45: Internal control: Deficiencies in the accrued leave pay	Management will ensure that all employees have a maximum of 48 leave days.	Director Corporate services	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.85	COAF56: Trade and other payables: Discrepancies between the general ledger amount and the annual financial statements amount.	Management will review the financial statements to ensure that both TB and GL agree with the AFS, and correct errors prior to submission for audit.	Human Resource Manager Chief Financial Officer Manager Finance	 30 June 2020
Predetermined objectives				
ISS.23	CoAF13 - Strategic planning and budgeting: Budget is not aligned to IDP and SDBIP	Management will ensure that the budget is aligned to the IDP and SDBIP.	Manager IDP	30 June 2020
ISS.25	COAF43: AOPO: reported performance information not accurate	Management will all indicators have ID's and SOP's, relevant source documents that support the reported performance information to ensure the reported performance information is valid will also be kept.	Manager IDP	30 June 2020
ISS.26	CoAF14 - Strategic planning and budgeting: shortcoming identified with the process followed	Management will ensure that all due processes will be followed accordingly.	Manager IDP	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	BY RESPONSE	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.27	COAF 31 - AOPO: Annual report - issues identified when assessing usefulness of the performance information	Management will ensure that annual report will have all information required by law.		Manager IDP	30 June 2020
ISS.29	COAF 32 - AoPO: Validity of reported inspections could not be confirmed due to lack of supporting evidence	Management will ensure that all evidence required will be attached to their indicators		Manager IDP	30 June 2020
ISS.44	COAF 36 - Strategic planning and performance monitoring: Inaccurate assessment of KPI in mid-year performance assessment report	Management will ensure that all expenditures on the KPI will be reflected on the mid-year assessment report.		Manager IDP	30 June 2020
ISS.61	COAF57: AOPO: Performance indicator not well defined	Management will ensure that all indicators will be well defined.		Manager IDP	30 June 2020
ISS.71	COAF 37 - AOPO: Reliability of the reported performance information could not be confirmed	Management will ensure that TIDs and SOPs for all indicators are crafted.		Manager IDP	30 June 2020
ISS.80	COAF51: AOPO: The required and actual performance of the performance indicators is not measurable	Management will ensure that all indicators are measurable.		Manager IDP	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	RESPONSE BY	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
Procurement and Contract Management					
ISS.42	COAF 35 - Procurement and contract management: Contractors' performance was not monitored during 2018/19	Management to ensure that the performance of suppliers is monitored on a monthly basis to adhere to the requirement of MFMA in order to eliminate non-compliance findings		Manager SCM Director Corporate Services Chief financial Officer	30 June 2020
ISS.43	COAF 20 - Procurement and Contract Management: Local production and content was not applied during 2018/19	Management fully supports the concept "local content and local production", and disagrees that the municipality did not advertise the invitation to tender with a specific condition that "only locally produced goods or locally manufactured goods, meeting the stipulated minimum threshold for local production and content, will be considered", attributing that to the fact that local production and content training was received late in the financial year.		Chief Financial Officer Manager SCM	28 February 2020
ISS.51	COAF66: Procurement and contract management: Deficiencies identified on regulation 32 contract	Management have already reported the mentioned deficiency to MPAC on the non-compliance of SCM regulation 32.		Chief Financial Officer	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND MANAGEMENT	RESPONSE BY	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
			Management would like to highlight that National Treasury is in the process of finalising the interpretation of regulation 32 draft circular was circulated for inputs from local government, SCM regulation process were followed by management however there has been inconsistencies on the application of this regulation.	Manager SCM	
ISS.46	COAF 21 - Procurement and contract management: The composition of Bid adjudication committee not compliant with SCM regulation	Management on the composition of the Bid Adjudication Committee not being compliant with SCM Regulation, the Municipal Manager will still have to restructure the composition of the BAC, by appointing relevant people, for compliance with the relevant SCM Regulation (Regulation 29).		Chief Financial Officer Manager Finance	28 February 2020
ISS.53	COAF 27 - Procurement and contract management: Suppliers in service of state	Management ensures that suppliers complete declaration of interest forms where suppliers disclose whether they are in service of state, management does not however have a system in place to confirm details provided.		Chief Financial Officer Manager Finance	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.67	COAF44: Procurement and contract management: Quotations not in line with the SCM processes	<p>Management will ensure that deviations are tabled to council inline with SCM regulation 36(2), instances where three (3) written quotations could not be obtained.</p> <p>Municipality had appointed panel of service providers for three years where -by the terms of references on appointments stated that services would be based on rotations. These contracts are ending in 2019/2020 financial period. Thereon SCM regulation will be adhered to onwards.</p>	<p>Chief Financial Officer</p> <p>Manager Finance</p>	30 April 2020
ISS.83	COAF54: Procurement and contract management: Deviations not in line with the regulation	<p>Management disagrees with the finding. The deviation was reported in 2018/2019 Report to Council which is the highest decision-making body of the Municipality and the matter was noted and accepted by Resolution 13.7 tabled with the heading "Third Quarter Performance Report [MFMA, Section 52(d)]" at meeting held on 30 April 2019. As a result of the resolution, which clearly indicates that the deviation was reported on and resolved by the highest decision-making body of the Municipality, the resultant</p>	<p>Chief Financial Officer</p> <p>Manager Finance</p>	28 February 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		expenditure of R43037 is not and shall not meet the definition of irregular expenditure.		
ISS.84	COAF55: Procurement and contract management: Quotations obtained from suppliers without verification that they are on the CSD	<p>Management partly disagrees with the finding that no proof was obtained that the municipality obtained quotations from suppliers on the National Treasury Central Supplier Database as outlined in the table below. National Treasury MFMA Circular 81 (CSD) stipulates that an organ of state can only do business with the service providers/ suppliers who are registered in the Central Supplier Database.</p> <p>It needs mentioning that Hotel Osner (East London) falls within the Kat Leisure Hotel Group. It is commonly understood that all hotels falling within the same Group share the same CSD ref number, like it is the same with Hotel Osner (East London) and the Kat Leisure Hotel Group.</p>	<p>Chief Financial Officer</p> <p>Manager Finance</p>	28 February 2020
ISS.86	COAF65: Procurement and contract management: Tender/ quotations	Municipality had appointed panel of service providers for three years where -by the terms of references on appointments	Chief Financial Officer	30 April 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
	were not evaluated in accordance with the PPPF Act	stated that services would be based on rotations. These contracts are ending in 2019/2020 financial period. Thereon SCM regulation will be adhered to onwards.	Manager Finance	
ISS.87	COAF79: Procurement and contract management: No declaration of interest for procurement less than R30 000 and invalid tax clearance certificate	Management will ensure that winning provider submits a declaration of interest in accordance with SCM reg 13(c). Regarding the tax clearance certificate, SARS e-learning has introduced tax supplier pins that can be used to verify tax matters of service providers this system is also linked to National treasury Central Supplier Database.	Chief Financial Officer Manager Finance	30 June 2020
ISS.95	COAF80: Procurement and contract management: Deficiencies identified with contract management	Management will ensure compliance with Sec.116 of the Municipal Finance Management Act states the following: Contracts and contract management. — (1) A contract or agreement procured through the supply chain management	Chief Financial Officer Manager Finance	30 June 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		<p>system of a municipality or municipal entity must —</p> <p>(a) be in writing;</p> <p>(b) stipulate the terms and conditions of the contract or agreement, which must include provisions providing for —</p> <p>(ii) the termination of the contract or agreement in the case of non- or under-performance;</p> <p>(iii) dispute resolution mechanisms to settle disputes between the parties</p> <p>(a) The following contracts did not have a clause that stipulates the terms and conditions of the contract which include termination of the contract in the case of non- or under performance:</p>		
VAT Receivables				
ISS.98	COAF82: VAT - VAT201 submitted to SARS is not complete	Management will revisit the other VAT201s and confirm all income has been disclosed whether exempt or not inquire from SARS as to whether an adjusted VAT201 should be produced	Manager Finance	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
		Revenue		
ISS.34	COAF59: Revenue from non-exchange transaction - accounting policy not including period of fair value re-measurement	Management, as per the recommendation from AG management will enquire from public works when it performs its fair value assessment to its assets.	Chief Financial officer Manager Finance	31 March 2020
ISS.56	COAF50: Revenue: a liability is not recognised for conditional grants received in advance	Management will ensure that advanced receipts as mentioned in the section on recognition of liabilities, resources received before a transfer arrangement becomes binding will be recognised as a liability (income received in advance). When the event that makes the transfer agreement binding occurs and all other conditions under the agreement are fulfilled, the liability will then be discharged and revenue is recognised.	Chief Financial Officer Manager Finance	31 March 2020
ISS.65	COAF 40 - Revenue from non-exchange: Service in kind is overstatement	The service in kind working paper has been corrected management had incorrectly included the balance brought forward.	Manager Finance Chief financial Officer	31 March 2020

Comm. of Audit Finding	FOCUS AREA / MATTERS RAISED	ACTION PLAN AND RESPONSE BY MANAGEMENT	RESPONSIBLE OFFICIAL(S)	TARGET DATE FOR IMPLEMENTATION
ISS.82	COAF71: Revenue from non-exchange - Service in kind for prior year	The service in kind working paper has been corrected management had incorrectly included the balance brought forward.	Manager Finance	31 March 2020
ISS.105	COAF87: Revenue from non-exchange: Accuracy issue on subsequent disclosure of management and AGSA calculation	Management provided evidence of Revenue received and was evaluated	Manager Finance Chief Financial Officer	31 March 2020

SUBMITTED BY

77 [Signature]

MST P M LEBENYA

MUNICIPAL MANAGER

DATE: 30/01/2020

APPENDICES

Appendix A: Councillors, Committee Allocation and Council Attendance



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OFFICE OF THE SPEAKER

COUNCILLORS ATTENDANCE SECTION 80 COMMITTEES MEETINGS FROM 01 JULY 2018 TO 30 JUNE 2019

Names of Councillors	10/07/2018	21/09/2018	11/10/2018	13/11/2018	11/03/2019	16/05/2019	18/06/2019	Total No. of Meetings
Committee: Corporate, Legal and Monitoring Services								
MMC AZ Nhlapo	✓	✓	✓	✓	N/A	N/A	N/A	3
MMC G Bengell	Acting Chairperson				✓	N/A	N/A	1
MMC IT Mkwanazi	N/A	N/A	N/A	N/A	N/A	✓	✓	2
Cllr P Makae	✓	✓	x	✓	✓	✓	✓	6
Cllr M. Sempe	x	x	x	x	x	✓	x	1
Cllr M. Hlatshwayo	✓	x	✓	✓	✓	✓	✓	6
Cllr T Letaoana	✓	✓	x	✓	✓	✓	✓	6
Total No. of Meetings held	Total No. of Meetings scheduled							11

Name of Councillors	07/08/2018	13/09/2018	16/10/2018	14/11/2018	26/05/2019				Total No. of meetings
Committee: Municipal Health and Disaster Management									
MMC N Mofokeng			✓	✓	✓				
Cllr M. Maleka			✓	✓	x				
Cllr M.S Mkhwanazi			✓	✓	✓				
Total No. of Meetings	5				Total No. of Meetings scheduled				13

Name of Councillors	11/09/2018	13/11/2018	12/03/2019	09/04/2019	07/05/2019				Total No. of Meetings
Committee : Rural Development and Agriculture									
MMC G Bengell	✓	✓	✓						
Cllr T. Moloi	✓	✓	✓						
Cllr M. Mokhele	✓	✓	✓						
Total No. of Meetings held	5				Total No. of Meetings scheduled				6

Name of Councillors	26/07/2018	11/09/2018	13/11/2018	29/01/2019	20/05/2019	28/06/2019			Total No. of Meetings
Committee : Local Economic, SMME's Development and Tourism									
MMC T. Tshabalala	✓	✓	✓	✓	✓	✓			6
Cllr M. Ndebe	✓	✓	✓	✓	✓	✓			6
Cllr B. Sani	✓	✓	✓	✓	✓	✓			6
Cllr M. Botha	✓	✓	✓	x	x	x			3
Total No. of Meetings	6				Total No. of Meetings scheduled				7

Name of Councillors	11/07/2019	17/07/2019	03/07/2018	22/01/2019	12/06/2019			Total No of Meetings
Committee : IDP and Performance Management								
MMC T. Thebe	✓	✓	✓	✓	✓			5
Cllr B. Venter	✓	x	✓	Deceased				2
Cllr M. Marius	N/A	N/A	N/A	✓	✓			2
Cllr M. Majake	✓	✓	✓	x	x			3
Cllr B. Meya	x	✓	x	✓	✓			3
Cllr S. Motaung	x	x	x	x	x			0
Total No. of Meeting held				5	Total No. of Meetings scheduled			11

Name of Councillors	10/07/2018	15/08/2018	20/09/2018	29/05/2019				Total No, of Meetings
Committee : Infrastructure and Transport								
MMC K. Tsoene	✓	✓		✓				
Cllr S. Tshabalala	✓	✓		✓				
Cllr D. Taetsang	✓	✓		x				
Total No. of Meetings held				4	Total No. of Meetings scheduled			6
Name of Councillors	11/07/2018	27/11/2018	06/02/2019	21/05/2019				Total No. of Meetings
Committee : Community Services								
MMC J. Radebe	✓	x	✓	✓				3
Cllr V. Mohala	✓	x	✓	✓				3
Cllr T. Mokotso	x	x	x	x				0

BELOW ARE THE SYMBOLS USED IN THE REPORT AND THE MEANING THEREOF:

- ✓ = SIGNIFY MEETING ATTENDED
- A = SIGNIFY APPLICATION FOR LEAVE OF ABSENCE
- X = SIGNIFY MEETING NOT ATTENDED
- D = SIGNIFY DECEASED
- R = SIGNIFY REPLACED

.....
Cllr Mbothoma Maduna
The Speaker

COUNCILLORS ATTENDANCE TO COUNCIL MEETINGS FROM 01 JULY 2018 TO 30 JUNE 2019

Name of Councillors	31/07 /18	31/10/18	06/12/18	Special Meeting		29/01/19	28/03/19	30/04/19	Tabling of Budget 2019/2020		Total No, Meeting
				10/01/ 19	27/02/ 19				30/05 /19	05/06/ 19	
1.Speaker MS Maduna	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
2. Executive Mayor MJ Vilakazi	✓	✓	✓	X	A	✓	✓	A	✓	✓	7
3. Chief Whip S. Mbiwe	✓	A	✓	A	✓	✓	✓	✓	✓	✓	8
4. MMC. G Bengell	✓	X	✓	✓	✓	A	✓	✓	✓	X	7
5. MMC J.M Radebe	✓	A	✓	✓	✓	✓	✓	✓	✓	✓	9
6. MMC. K.J Tsoene	✓	A	✓	A	✓	✓	✓	X	✓	✓	7
7. MMC S.M Visagie	✓	X	✓	A	A	✓	✓	A	✓	✓	6
8. MMC T.J Tshabalala	✓	✓	A	A	✓	✓	✓	✓	✓	✓	8
9. MMC T. Thebe	✓	X	✓	X	✓	✓	X	✓	✓	✓	8
10. MMC A.Z Nhlapo	✓	A	✓	✓	x	X	X	X	X	X	3
Name of Councillors	31/07 /2018	31/10/20 18	06/12/20 18	Special Meeting		29/01/20 19	28/03/20 19	30/04/20 19	Tabling of Budget 2019/2020		Total No, Meeting
11.MMC N. Mofokeng	✓	✓	✓	A	✓	✓	✓	✓	✓	X	8
12. MMC I.T Mkhwanazi	✓	X	✓	✓	✓	✓	✓	✓	✓	✓	9
13. Cllr M.B Mamba	✓	✓	A	✓	✓	✓	✓	✓	X	X	7
14. Cllr M.C Ndlebe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
15.Cllr V.R Mohala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
16. Cllr B.D Venter	✓	Deceased									1
16. Cllr M.Marius	N / A	✓	✓	✓	✓	✓	✓	X	✓	X	7
17. Cllr M.B Hlatwayo	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	9
18.Cllr D.L Taetsang	✓	✓	✓	✓	✓	✓	X	✓	✓	X	8
19. Cllr T.T Letaoana	A	✓	✓	✓	✓	✓	X	A	✓	✓	7
20. Cllr S. Mkhwanazi	✓	✓	A	✓	✓	A	✓	X	✓	✓	7
21. Cllr P.P Khanye	✓	A	A	✓	✓	✓	X	X	✓	✓	6
22. Cllr M.E Sempe	✓	✓	X	✓	✓	✓	✓	X	X	✓	7
23. Cllr M.A Maleka	✓	✓	✓	✓	✓	✓	✓	X	X	✓	8
24. Cllr M.J	✓	✓	✓	✓	✓	✓	X	✓	X	✓	8

Mokoena											
25. Cllr M.M Twala	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	9
26. Cllr B.N Sani	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	9
Name of Councillors	31/07/2018	31/10/2018	06/12/2018	Special Meeting		29/01/2019	28/03/2019	30/04/2019	Tabling of Budget 2019/2020		Total No, Meeting
27. Cllr G. Mokotso	X	✓	X	X	x	X	X	X	X	X	1
28. Cllr B.E Meya	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	9
29. Cllr S, Motaung	✓	✓	X	X	x	X	X	X	X	X	2
30. Cllr P. Makae	✓	✓	✓	X	✓	✓	✓	✓	✓	✓	9
31 Cllr T. Moloi	✓	✓	✓	X	✓	X	X	X	X	X	4
32 Cllr M. Majake	✓	A	X	✓	✓	✓	X	X	Resigned		4
33. Cllr M.S Mkhwanazi	✓	✓	✓	✓	A	✓	X	X	✓	A	6
34. Cllr M. Lebesa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
35. Cllr A. Oates	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
36. Cllr L.G Nhlapo	A	✓	✓	✓	x	X	✓	X	X	✓	5
37. Cllr M.C Botha	✓	✓	✓	✓	A	✓	X	✓	✓	X	7
38. Cllr S.E Tshabalala	✓	A	✓	✓	x	✓	✓	✓	✓	X	7
39. Cllr M.M. Hlakane	X	X	X	X	x	✓	A	X	X	✓	2
40. Cllr M.M Mokhele	✓	A	A	✓	A	✓	X	A	✓	✓	5
41. Cllr T.B Jakabo	X	X	X	X	x	✓	A	X	X	✓	2
Dates	31/07/2018	31/10/2018	06/12/2018	10/01/19	27/02/19	27/01/2019	28/03/2019	30/04/2019	30/05/19	05/06/19	
Total No. Apology	2	8	5	5	5	2	2	4	0	1	
Total No. of no apology submitted	3	6	6	8	7	5	15	15	13	11	
Total No. Councillors Attendance	36	27	30	28	29	32	24	22	28	29	
Total No. Council Meeting					8	Total. No. of Special Council Meeting					2

BELOW ARE THE SYMBOLS USED IN THE REPORT AND THE MEANING THEREOF:

- ✓ = SIGNIFY MEETING ATTENDED
- A = SIGNIFY APPLICATION FOR LEAVE OF ABSENCE
- X = SIGNIFY MEETING NOT ATTENDED
- D= SIGNIFY DECEASED
- R= SIGNIFY REPLACED

.....
Cllr Mbothoma Maduna
The Speaker

Appendix B: Committee and Committee Purpose

Municipal committees	Purpose of committee
Municipal Public Accounts Committee	Oversight over executive role
Audit committee	Oversight of financial reporting and disclosure, review of the work of internal audit , the risk management system and Performance management system
District Aids Council	Programmes and policies that pertain to combating the scourge of HIV and AIDS
Local labour forum	Consultation between the employer and employee bodies on all labour relations and HR issues
Budget steering committee	Assists the Executive Mayor to perform her responsibility in terms of section 53 of MFMA with regard to budget processes and related matters

Appendix C: Third Tier Administrative structure

Third Tier Administrative structure	Third Tier Administrative structure	
Directorate	Unit or Department	Manager
Office of the Municipal Manager	IDP and PMS	T. Vanqa
Office of the Municipal Manager	Infrastructure	B. Mphahlele
Corporate Services	Director	S.K.Khote
Office of the Municipal Manager	LED	T. Mlotha
Office of the Municipal Manager	Agriculture and Rural Development	L.Moshoaliba
Community Services	Municipal Health Services	P.Swart
Community Services	Social Services	B. Ngwenya
Community Services	Emergency Services	J.Mokoena
Office of the Municipal Manager	Internal Audit	W. Nhlapo
Office of the Municipal Manager	Risk Management	M.Phoofolo
Office of the Municipal Manager	ICT	B. Mdakane
Office of the Municipal Manager	Communications	M.Mokoena
Finance	Chief Financial Officer	N. Gcoli
Finance	Chief Accountant	D. Mhlahlo
	Supply Chain	S. Thamaha

Appendix D: Functions of Municipality/Entity

Functions of Municipality/Entity		
Municipal Functions	Function applicable to the Municipality (Yes /No)	Function applicable to the entity (Yes /No)
Municipal Health service	Yes	N/A
Air quality	Yes	N/A
Disaster Management	Yes	N/A
Municipal Planning	Yes	N/A
Local tourism	Yes	N/A

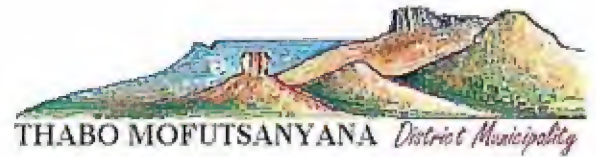
Appendix E: Ward Reporting

Not applicable

Appendix F: Ward Information

Not applicable

Appendix G: Recommendations of the Municipal Audit Committee



THABO MOFUTSANYANA DISTRICT MUNICIPALITY

SHARED AUDIT AND PERFORMANCE COMMITTEE REPORT ON ANNUAL REPORT

FINANCIAL YEAR 2018/2019

AUDIT AND PERFORMANCE COMMITTEE MEMBERS

Name and responsibility	Date of appointment
Mr. M K Mojatau: Chairperson of the Committee	01 April 2017
Mr. T E Femele: Ordinary member of the Committee	01 April 2017
Mr T S Morare: Ordinary member of the Committee	01 April 2017
Ms. M R Ried: Ordinary member of the Committee	01 June 2017

SUPPORT STAFF

Name	Role
Mr J W Nhlapo: Manager Internal Audit (Thabo Mofutsanyana District Municipality)	Secretariat of the Committee

STANDING INVITEES: MANAGEMENT

Name	Role
Me T P M Lebenya	Accounting Officer (Contract ended 31 July 2017)
Mr S K Khote	Accounting Officer (Acted from 01 August 2017 to November 2017)
Me T P M Lebenya	Accounting Officer (Appointed 01 December 2017)
Ms N L Gqoli	Chief Financial Officer
Ms. M P Mokoena	Chief Risk Officer
Ms T Vanga	Manager Growth and Development (IDP and PMS)
Ms M Matobako	Chairperson Risk Management Committee
Ms F Somfula	Auditor-General: Acting Senior Manager Audit

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	AUDIT AND PERFORMANCE COMMITTEE RESPONSIBILITIES	
3	THE ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE	215-216
4	CONCLUSION	216-217

FOREWORD BY THE CHAIRPERSON

We are pleased to submit our report to be included under Audit Committee section in the draft annual report 2018/2019 to the Council of Thabo Mofutsanyana District Municipality covering the period 01 July 2018 to 30 June 2019. This report gives an account of work performed by the Committee during the period under review.

During this period, the Committee held its meetings as follows to discuss issues relating to the Municipality's Risk Management, Internal controls, governance, financial reports, internal audit and Performance Information.

24 August 2018 (Ordinary meeting)
23 November 2018 (Ordinary meeting)
15 February 2019 (Ordinary meeting)
17 May 2019 (Ordinary meeting)
30 July 2019(Ordinary meeting)

The Committee also reports that it has adopted the Audit Committee Charter as its formal Terms of Reference, internal audit standards and has regulated its affairs per this Charter and relevant standards.

The Committee wants to assure Council of its commitment to carry out its responsibilities diligently without fear, favor or any biasness to advance the objectives of the municipality of bringing municipal services to the communities of the District.

I want to thank the Council of Thabo Mofutsanyana District Municipality for affording me the opportunity to serve as a member and Chairperson of this Committee.

1. BACKGROUND

The Committee was re-established by the Council on **01 April 2017** as Share Audit and Performance Committee which includes Phumelela Local Municipality. Members had been appointed for a term of three years and these appointment letters were signed off by the Municipal Manager as delegated by Council and members entered a contract with the municipality

The purpose of the Committee is to provide:

- Independent assurance on the adequacy of governance, risk management, internal control and performance information processes;
- Independent scrutiny of the municipality's financial and non-financial performance to the extent that it affects the municipality's exposure to risk and weakens the control environment; and to
- Oversee the financial reporting process.

The Terms of Reference for the Committee are compiled in accordance with section 166 of the MFMA and the King IV Report on Corporate Governance and are enshrined in the Audit Committee Charter.

THABO MOFUTSANYANA DISTRICT MUNICIPALITY AUDIT COMMITTEE MEETINGS ATTENDANCE BY MEMBERS DURING FINANCIAL YEAR 2018/2019

Name	Capacity	Date of appointment	Number of meetings attended	Apologies
Mr M K Mojatau	Chairperson	01 April 2017	05	0
Mr T E Femele	Member	01 April 2017	04	01
Mr T S Morare	Member	01 April 2017	04	01
Ms M R Ried/Khetha	Member	01 June 2017	05	0

2. AUDIT AND PERFORMANCE COMMITTEE RESPONSIBILITIES

The Committee was re-established on 01 April 2017 to assist in improving management reporting by overseeing internal and external audit functions, internal controls, and the financial reporting process, performance information, compliance with accounting policies, legal requirements, internal controls and other policies within the Municipality.

The Committee reports that it has complied with its responsibilities arising from Section 166 of the Municipal Finance Management Act ("the Act"). The Committee consists of non-executive members including the chairperson and it has also adopted formal terms of reference as its audit committee charter. The Committee has regulated its affairs in compliance with the charter and has discharged its responsibilities as contained therein.

The Committee also reports that during the financial year under review it has reviewed and adopted appropriately:

- Schedule of Audit and Performance Committee meetings 2018/2019
- The Audit and Performance Committee Charter 2018/2019, (recommended for approval by Council)
- The Internal Audit Charter 2018/2019,
- Internal Audit Methodology 2018/2019
- Internal Audit annual strategic/Detailed plan which includes, three- year coverage plan 2018-2021 and annual coverage internal audit plan 2018/2019

The Committee further provided inputs and took note of the following risk management documents which were recommended for approval and adoption by the Council;

- Overall strategic and operational risk-register 2018/2019
- Quarter Risk Management reports 2018/2019
- Risk Management Policies and plans 2018/2019

3. THE ADEQUACY AND EFFECTIVENESS OF INTERNAL CONTROL, RISK MANAGEMENT AND GOVERNANCE

The Internal Audit Unit reported several instances of non-compliance with prescribed policies and procedures for the period under review, which resulted in a breakdown in the functioning of internal controls. Hence, the systems of internal controls were not entirely effective for the year under review.

The Internal Audit Unit presented its reports during the above-mentioned sittings of the Committee, the reports of which included recommendations and management comments, which highlighted the shortcomings as outlined in the above paragraph.

There were risks which were rated as high by Auditor General which were not included in the initial risk register 2018/2019. However, processes relating to risk management were effective and efficient, based on the premises that risk

assessments were conducted, and a risk register produced to prepare a risk based Three Year Rolling Internal Audit Plan and Annual Internal Audit Plan.

3.1 Governance

Significant Governance structures and processes are in place and functioning as intended. The structures referred to include the Council, the Audit and Performance Committee, the Executive Management, MAYCO, IDP and PMS Unit and the Internal Audit function.

3.2 Risk Management

One of the significant Governance structures, Risk Management Function is in place and was functioning as intended except the fact that Risk Management Committee meeting were not convene as scheduled to discuss risk management issues before submitted to the Audit Committee. The Committee recommends that risk registers be fully utilized by the Municipality and identified risks should be monitored by the Risk Management Committee.

3.3 Internal Controls

The Internal Audit function conducted the listed audits and the outcome thereof indicated internal control deficiencies for the financial year 2018/2019.

- Review of Information Technology (General Control)
- Review of Risk Management processes
- Review of annual financial statement 2018/2019
- Auditing of performance outcomes-Q1-Q3
- Review of PMS
- Review of Municipal Grants
- Payroll administration
- Personnel administration
- Expenditure management
- Review of MSCOA
- Leave administration
- Municipal Assets
- Fleet Management
- Administration of SCM
- Ad-hoc assignments: Fleet management Municipal Truck.

3.4 Review of Performance Management System

Functionality of performance management system was evaluated, and the following shortcomings identified however management is committed to address the concerns raised.

Shortcomings identified on Reviewing of Performance Management System 2018/2019

- PMS Framework is not reviewed at least annually, and it does not suite the current situation to accommodate PMS computer software (QPR) utilised by the municipality.
- The computerized Performance Management System (QPR) is not functioning as intended.
- No quarterly performance assessment for municipal managers and managers directly accountable to the municipal manager.
- Mid-year performance evaluation for municipal manager and managers accountable to municipal manager was not conducted.

3.5 Review of draft annual financial statements 2018/2019 and Audit Committee reports to Council 2018/2019

The Audit and Performance Committee reviewed draft annual financial statements 2017/2018 in terms of section 166(2)(b) at its meeting held on 25 August 2017, provide their inputs and management made correction accordingly before they were submitted to Auditor General for audit purposes.

The Audit and Performance Committee also prepared its report outlining shortcomings and recommendations made to Council.

3.6 External Audit

The Audit Committee has a role in terms of oversight to External Audit in terms of Audit and Performance Committee Charter matters related to amongst others: -

- Engagement Letter
- Audit Strategy (Fees and Audit team particularly)
- Audit Processes
- Management report
- Audit Report

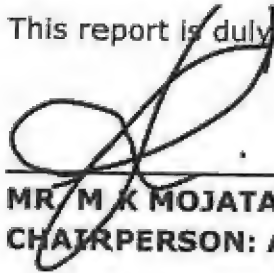
4. CONCLUSION

The Audit Committee would like to commend the council, management team and other stakeholders regarding cooperation with Auditor General to ensure that municipality improves audit outcomes from a Qualified (2017/18) Unqualified audit opinion with matters of emphasis.

In conclusion, this Committee assures Council of Thabo Mofutsanyana District Municipality that it remains committed to discharge its responsibilities and duties as outlined under section 166(2) of the Municipal Finance Management Act.

The Committee further states that, it is satisfied that it has adopted appropriate formal terms of reference as its Audit Committee Charter; and will always regulate its affairs in compliance with this Charter and discharge its responsibilities as contained therein.

This report is duly submitted for inclusion in the Annual Report for 2018/19.



MR. M. K. MOJATAU

CHAIRPERSON: AUDIT AND PERFORMANCE COMMITTEE

Appendix H: Long term Contracts and Public Private Partnership

Long term contracts (Largest contract entered into during 2018/ 2019)					
Name of the service provider	Description of service rendered	Start date of contract	Expiry date of the contract	Project Manager	Contract value

Appendix I: Municipal Entity/Service Provider Performance Schedule

Thabo Mofutsanyana district municipality does not have an entity.

Appendix J: Disclosure of Financial Interest

See annual financial statements

Appendix K: Revenue Collection Performance

Appendix K (i): Revenue Collection Performance by Vote

See annual financial statements

Appendix K (ii): Revenue Collection Performance by Source

See annual financial statements

Appendix L: Conditional Grants Received: Excluding MIG

See annual financial statements

Appendix M: Capital Expenditure – New & Upgrade/ Renewal Programmes:
Including MIG

Not Applicable.

Appendix M(i): Capital Expenditure – New Assets Programme

Not applicable . The district municipality's capital expenditure is only linked to assets used for operations.

Appendix M(ii): Capital Expenditure – Upgrade/Renewal Programme

Appendix N: Capital Programme by Project current year

Appendix O: Capital Programme by project by Ward current year

Not applicable

Appendix P: Service Connection Backlogs at Schools and Clinics

Not Applicable

Appendix Q: Service Backlogs Experienced by the Community where another
Sphere of Government is Responsible for Service Provision

Information not available.

Appendix R: Declaration of Loans and Grants Made by the Municipality

The District has not provided any loans or grants to outside organizations.

Appendix S: Declaration of Returns not Made in due Time under MFMA s71

Appendix T: National and Provincial Outcome for local government

Not relevant to TMDM.

Not relevant to the Thabo Mofutsanyana district municipality This type of information is pertinent to local municipalities, especially regarding basic services and ward committees.

CHAPTER 7

ANNUAL FINANCIAL STATEMENTS

REPORT OF THE CHIEF FINANCIAL OFFICER – AUDITED ANNUAL FINANCIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

Introduction

The office of the Chief Financial Officer is amongst others, responsible for preparing the financial statements that fairly present the financial position of the municipality in line with Municipal Finance Management Act No. 56 of 2003, section 122 and any other guidelines issued by National Treasury and Accounting Standards Board.

The municipality is in this regards, aspiring to lead and thereby ensures that it continues with sustainable service delivery while remaining financially viable. The 2018/2019 financial year results are partly the outcome of its pursuit to the new financial reforms.

Key performance areas:

- Administers financial management support services;
- Manages Council's financial management systems, policies and procedures;
- Ensures full compliance with Generally Recognised Accounting Practices;
- Ensures compliance with the Municipal Finance Management Act and other legislative provisions;
- Renders support to local municipalities with reference to clean audit as well as revenue enhancement mechanisms;

Current year

The office of the Chief Financial Officer strives towards a sustainable relationship with local municipalities, suppliers and other organs of state by maintaining a high-level service between the municipality and its customers. In doing so, it is required of its staff component to act diligently, professionally, honesty and with integrity when discharging their duties.

- The management maintains an active role in projects and administration, facilitating swift decisions and a higher commitment to service delivery;
- The office conducts itself in a manner does not compromise compliance with the requirement of the Municipal Finance Act, other laws, regulations and policies by ensuring that provisions of the guidelines are well communicated.

Summary of current year achievements

The achievements realised during the financial year 2018/2019 can be summarised as follows, but not limited to:

- The department prepared the financial statements in-house in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board;

- In its effort to streamline the financial reporting, management of the department provided the Council of the municipality, MAYCO, and Finance Portfolio Committee with more timely, accurate and credible financial information.
- Management continued to strengthen the internal controls and compliance by developing workflow and process checklist which guide the activities of all operational units within the department. Proper management of the system improves the administration of municipal funds and safeguarding of assets, thus preventing elements of non-compliance that would otherwise lead to expenditure being irregular; unauthorised, fruitless and wasteful.
- Management maintained an unqualified audit report with matters of emphasis for the following financial years consecutively (2011/12, 2012/13 and 2013/14); and in 2014/15 the municipality obtained a clean audit. In the years 2015/16 and 2016/17, the municipality achieved unqualified audit reports with matters of emphasis. However, in 2017/18 the municipality regressed and received a qualified audit report. In the current year 2018/19 the municipality improved and received an unqualified audit report with matters of emphasis.

The year ahead

In the coming financial year, it is anticipated that the financial operations, financial status and financial position will be improved to reclaim the unqualified audit report without any matters. Action plan to improve on Audit-General findings include, but not limited to:

- Implementation of audit action plan based on Auditor-General's findings and recommendations;
- Consistent training of staff on Generally Accounting Practice and the Accounting Board updates,
- Preparation of bi-annual statements;
- Consistent training of staff on SCM rules and regulations as well as on contract management.
- Performing assets reconciliation and updating the assets register in the Assets Management System.
- Ensure compliance with laws, regulations and guidelines.

Internal controls

It is management's responsibility to maintain a proper system of internal controls, ensuring that the integrity of financial and accounting information reported on, meets the operational requirements and ensures that the assets of the municipality are safeguarded. In order to strengthen internal controls, management will continuously ensure that development procedure manuals are properly used to guide operations around segregation of duties.

Ethical issues

The municipality has a code of conduct for its councillors in terms of the Municipal Structures Act and a code of conduct for its employees in terms of the Municipal Systems Act. The codes are

encouraging and discouraging certain behaviours and ensures that councillors and officials conduct themselves that do not compromise the integrity municipality in the face of the communities they are serving.

FINANCIAL PERFORMANCE

1. Audited Statement and Related Financial Information

Table 1

Financial and Operational Statistics		
Year ended 30 th June	2019	2018
Sundry receivables	1 105 254	1 389 242
VAT Receivable	2 090 264	1 750 701
Cash and cash equivalents	8 641 085	772 882
Trade and other payables	12 699 548	13 869 443
Unspent conditional grant	100	25 800
Employee benefit obligation	9 216 000	9 456 000
Total Operating Revenue	129 633 520	124 158 012
Total Operating Expenditure	121 663 783	128 551 884
Operating Profit/(Deficit)	7 969 737	(4 393 872)

1.1 Financial performance analysis

As disclosed in the Annual Financial Statement under the accounting policies subsection 1.16 and note 41 comparative figures have been restated or reclassified due to prior period errors to conform to changes in presentation in the current year. The restatement was necessitated by the fact that management the fact that management had to correct accounting mistakes done in the past, hence, a need for retrospective implementation.

1.1.1. Cash and cash equivalents

Council has during the past twelve (12) months maintained a consistent and viable financial position. As a result, the operating bank balances as at financial year 2018/19 was R8 641 085 (showing an excess of R7 868 203 compared to a closing balance of R772 882 at end of the financial previous financial year).

1.1.2 Sundry receivables / debtors

Decrease in sundry receivables is due to some payments received to overpayment of employees and councillor's remunerations. Management continuously assessed individual debtors to establish if there was any likelihood of recovering outstanding debtors so that should there be no success in recovering same, provide for the debt impairment in line with the impairment policy of the municipality. During the current year, impairment provision is still necessary to cater for R1 080 509 slight decrease in 2017/18 outstanding debtors compared to balance of R1 389 242 at end of the previous year from exchange transactions.

1.1.3 Operating expenditure and revenue

The total operating expenditure decreased from previous year's figure by R6 888 101 and total operating revenue increased from previous year's figure by R5 475 508. The major decrease in operating expenditure was a consequence of the following:

- Decrease in legal fees;
- Decrease in advertising;
- Decrease in auditor's remuneration;
- Decrease in travel and subsistence;
- Decrease on EPWP incentive grant – salaries expenditure;
- Decrease in operational expenses as outlined in note of the 20 AFS.

An increase in operating income was a result of the following:

- An increase in government grant and subsidies;
- An increase in interest received – investments;
- Agency services (CETA) received.

A disciplined spending pattern has been well maintained, preventing a situation where the municipality would not be able to pay creditors and defer payments from one financial year to the other, thus casting doubt on its ability to continue as a going-concern.

2. Financial status

2.1 Revenue and expenditure overview

In terms of its revenue base Thabo Mofutsanyana District Municipality is currently the second smallest category C municipality within the Free State. It received grant income of R120 293 730 in 2018/19 (R113 780 700 in 2017/18), an increase of 5.7% from the previous year.

Thabo Mofutsanyana District Municipality is funded like other district municipalities. Their budget are funded by subsidies from national and provincial government and slightly generate own income through interest-bearing investment portfolios.

The operating expenditure of Thabo Mofutsanyana District Municipality for 2018/19 was largely inflexible and required sound budgeting and discipline to keep costs within budget. Strides were made to maintain discipline in the spending patterns so that expenditure by line item was kept within the budget.

Details	2019	2018	
	R	R	
Employee Costs	64 520 762	61 361 833	
Councillors Remuneration	11 423 555	10 835 641	
General Expenditure	34 007 173	44 843 178	
Finance Cost	105 692	28 159	
Debt Impairment	1 080 509	-	
Depreciation and amortization	4 459 320	5 503 915	
Contracted services	3 812 956	2 726 983	
Lease rentals on operating lease	2 253 816	2 635 860	
Loss on disposal of assets		616 315	

Personnel remuneration constitutes a larger proportion of the municipality's expenditure budget. The staff-to-expenditure ratio of Thabo Mofutsanyana District Municipality continues to increase at an alarming rate from one financial year to the other. Councillors' costs compromise a minor portion of total expenditure.

Assets maintenance is very important although it is often overlooked or ignored, and priority given to less worthy line items. The deferment of maintenance is common practice among municipalities and while it has short-term cash flow benefits, it also carries adverse long-term effects on operating costs which directly and indirectly affect the sustainability of quality service delivery.

Thabo Mofutsanyana District Municipality external maintenance costs comprised of a very low provision due to lack of funds. This is exacerbated by a deteriorating fire station at Warden, truck and additional vehicles acquired as well as buildings and other assets utilised for municipal purposes. The ratios have increased from the previous year management remains concerned that allocation for maintenance is still not at the optimum level.

The municipality has recorded an operating surplus of R7 969 737 in 2018/19 (a deficit of R4 393 872 in 2017/18). The operating budget indicated a moderate increase for the next three years.

2.3 Liquidity management

Although the municipality operates an effective financial management system in controlling crucial aspects of cash and cash equivalents, its total liabilities exceeded its total assets by R1 878 647 in 2018/19 (in 2017/18 the net liability was R9 848 384) an improved position of 80.9% increase between the two years (2017/18 and 2018/19).

2.4 Capital analysis

The pressure on capital expenditure with specific reference to bulk services is expected to remain over the long-term, this is due to the withdrawal of Municipal Infrastructure Grant by the National Department of Cooperative Governance and Traditional Affairs.

Although the municipality is expected to render bulk services and coordinate functions in terms of of Local Government Structure Act Section 84 (Powers and Functions of the district municipalities), it lacks capacity to execute some of the functions due to lack of funding. Council cannot even contribute from its operational income towards capital development in local municipalities within the area. As a result, no expenditure of a capital nature was incurred to assist local municipalities in the 2018/2019 financial year.

Implementation of projects in local municipalities during the year 2018/2019

MUNICIPALITY	PROJECT	EXPENDITURE
Maluti-A-Phofung	None	N/A
Nketoana	None	N/A
Mantsopa	None	N/A
Dihlabeng	None	N/A
Nketoana	None	N/A
Phumelela	None	N/A

3. Conclusion

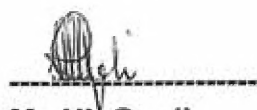
The municipality's overall financial management capacity has not improved yet in order to deal with current demand realities for improved service delivery, to assist local municipalities as well as to fully out legislative mandates imposed on it by the Constitution.

Expression of appreciation

My sincere appreciation to the Executive Mayor, Members of the Mayoral Committee, Councillors, Municipal Manager, Heads of Departments, colleagues and local representatives in the Office of the Auditor General for supporting me throughout.

I convey my special word of appreciation to the staff in Finance Department for their hard work, dedication and support given.

Thank you,



Me NL Gqoli
Chief Financial Office

THABO MOFUTSANYANA DISTRICT MUNICIPALITY
Appendix G3
Budgeted Financial Performance (revenue and expenditure)
for the year ended 30 June 2019

2019/2018

2018/2017

	Original Budget		Budget Adjustments (I.L.o. s28 and s31 of the MFMA)		Final adjustments budget		Shifting of funds (I.L.o. s31 of the MFMA)		Virement (I.L.o. Council approved policy)		Final Budget		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Adjustments Budget		Actual Outcome as % of Final Budget		Actual Outcome as % unauthorised expenditure		Expenditure authorised in terms of section 32 of MFMA		Balance to be recovered		Restated Audited Outcome		
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		
Revenue By Source																													
Property rates	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Actuarial Gains	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Recoveries (gains on debt impairment)	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Service charges - sanitation revenue	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Service charges - refuse revenue	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Service charges - other	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Rental of facilities and equipment	-		-		-		-		-		-		-		-		-		-		-		-		-		-		
Interest earned - external investments	1 129 901		(140 000)		989 901		-		-		989 901		1 419 669		-		429 768		143 %		DIV/D %		DIV/D %						
Interest earned - outstanding debtors	-		-		-		-		-		-		-		-		-		DIV/D %		DIV/D %						-		
Donation (Non-exchange revenue)	-		-		-		-		-		-		1 474 610		-		1 474 610		DIV/D %		DIV/D %					-			
Fines, penalties and forfeits	-		-		-		-		-		-		-		-		-		DIV/D %		DIV/D %					-			
Licences and permits	-		18 018 091		18 018 091		-		-		18 018 091		5 580 432		-		(12 437 659)		31 %		DIV/D %		DIV/D %				-		
Agency services	-		-		-		-		-		-		-		-		-		DIV/D %		DIV/D %					-			
Transfers and subsidies	120 482 400		33 786 667		154 249 067		-		-		154 249 067		143 953 341		-		(10 295 726)		93 %		119 %		DIV/D %				117 761 809		
Other revenue	4 689 577		(2 132 116)		2 557 461		-		-		2 557 461		155 296		-		(2 402 165)		6 %		3 %		DIV/D %				297 887		
Gains on disposal of PPE	-		-		-		-		-		-		-		-		-		DIV/D %		DIV/D %					(616 315)			
Total Revenue (excluding capital transfers and contributions)	125 301 878		49 512 642		175 814 520		-		-		175 814 520		153 564 265		(22 250 255)		(22 250 255)		87 %		122 %					118 341 246			

THABO MOFUTSANYANA DISTRICT MUNICIPALITY

Appendix G3

Budgeted Financial Performance (revenue and expenditure) for the year ended 30 June 2019

2019/2018

2018/2017

	Original Budget		Budget Adjustments (I.L.O. 528 and s31 of the MFMA)		Final adjustments budget (I.L.O. MFMA)		Shifting of funds (I.L.O. MFMA)		Virement (I.L.O. Council approved policy)		Final Budget		Actual Outcome		Unauthorised expenditure		Variance of Actual Outcome against Budget Adjustments		Actual Outcome as % of Final Budget		Actual of Original Budget		Reported unauthorised expenditure		Expenditure authorised in terms of section 32 of MFMA		Balance to be recovered		Restated Audited Outcome	
	Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand		Rand	
Employee related costs	63 869 472		(326 279)		63 543 193		-		-		63 543 193		64 520 762		-		977 569		102 %		101 %		-		-		-		59 527 172	
Remuneration of councillors	10 548 884		(21 206)		10 527 678		-		-		10 527 678		11 423 355		-		895 677		109 %		108 %		-		-		-		10 672 912	
Debt impairment	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Depreciation & asset impairment	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Finance charges	4 669 577		(2 132 119)		2 537 458		-		-		2 537 458		4 459 320		-		1 921 862		176 %		95 %		-		-		-		5 428 611	
Lease rentals on operating lease	1 714 976		1 110 855		2 825 831		-		-		2 825 831		1 422 039		-		(1 403 792)		DIV0 %		83 %		-		-		-		28 159	
Repairs and Maintenance	1 269 782		973 000		2 242 782		-		-		2 242 782		-		-		(2 242 782)		-		-		-		-		-		36 828	
Contracted services	3 843 000		-		3 843 000		-		-		3 843 000		3 812 956		-		(30 044)		99 %		99 %		-		-		-		15 429 029	
Transfers and subsidies	-		-		-		-		-		-		-		-		(27 639 624)		DIV0 %		DIV0 %		-		-		-		4 779 285	
Other expenditure	34 023 018		54 938 321		88 961 339		-		-		88 961 339		61 321 715		-		-		69 %		180 %		-		-		-		23 346 374	
Loss on disposal of PPE	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Total Expenditure	119 938 709		54 542 572		174 481 281		-		-		174 481 281		148 960 347		-		(27 520 934)		84 %		123 %		-		-		-		119 350 370	
Surplus/(Deficit)	6 363 169		(5 029 930)		1 333 239		-		-		1 333 239		6 603 918		-		5 270 679		495 %		104 %		-		-		-		(909 124)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Surplus/(Deficit) after capital transfers & contributions	6 363 169		(5 029 930)		1 333 239		-		-		1 333 239		6 603 918		-		5 270 679		495 %		104 %		-		-		-		(909 124)	
Taxation	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Surplus/(Deficit) after taxation	6 363 169		(5 029 930)		1 333 239		-		-		1 333 239		6 603 918		-		5 270 679		495 %		104 %		-		-		-		(909 124)	
Attributable to minorities	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Surplus/(Deficit) attributable to municipality	6 363 169		(5 029 930)		1 333 239		-		-		1 333 239		6 603 918		-		5 270 679		495 %		104 %		-		-		-		(909 124)	
Share of surplus/ (deficit) of associate	-		-		-		-		-		-		-		-		-		DIV0 %		DIV0 %		-		-		-		-	
Surplus/(Deficit) for the year	6 363 169		(5 029 930)		1 333 239		-		-		1 333 239		6 603 918		-		5 270 679		495 %		104 %		-		-		-		(909 124)	